

Girls School Association

Education system fails to allow girls to reach potential, Joseph says

From Lucy Hodges, Education Correspondent, Harrogate. Girls receive an inadequate education because they are not reaching their potential at school and are therefore cut off from certain job opportunities...



Diplomatic arrival: Mr Charles Price, the new American Ambassador, arriving at Heathrow airport yesterday with his wife Carol and two of his five children, Melissa and Charles. Mr Price, formerly Ambassador to Belgium, succeeds Mr John Lewis (Photographs: Bill Wanhurst).

A breakfast toast to a robust new Beaujolais

By Robin Young. In the wine trade's annual festival of liquid logistics, more than five million bottles of Beaujolais Nouveau were rushed from France to Britain in time for breakfast yesterday.

The first joggernauts were rolling off at Dover by quarter past midnight, just 75 minutes after the official moment for the commercial release of the Beaujolais region's new wine in France.

Though racing is officially discouraged, one P & O ferry from Boulogne was almost fully booked by 160 cars participating in a Beaujolais rally organized by the British Automobile Racing Club.

By 7am Beaujolais was widely available to hibernous breakfasters around Britain. On Watlington station, commuters fought each other to the ground in a scrum for free samples offered by the wine chain, Bottoms Up.

But, after tasting more than a score of the new wines, Miss Jane MacQuitty, The Times wine correspondent, said: "This is one of the best nouveau vintages I have ever tasted. You can compare it to 1978."

"The '83s have a good, deep purple colour, a fine bouquet, and robust, fruity flavour. So far I have had only two wines which seemed a little too tannic and full-bodied, and that is not a fault: it only means they will be better after Christmas."

"Quality is much more consistent than last year, and much better too. I cannot remember a year when I felt such enthusiasm for the new wines."

Grammars backed by parents

Strong support for the old grammar and secondary modern system of schooling is disclosed in a public opinion poll conducted by Gallop to coincide with a television programme tonight on education standards.

Sixth formers taking the Pill 'in danger'

Coeducational boarding schools which recommend that sixth-form girls should take the contraceptive pill are exposing them to physical and psychological danger, according to Mrs Pauline Mathias, president of the association.



Mathias: "Girls face risk of cancer."

Cinema firm plans larger film output

By David Hewson Arts Correspondent. Plans to produce five new British feature films each year were unveiled yesterday by Thorn EMI as the company expressed confidence about the future of the cinema industry.

Solicitors study plan to advertise

By Peter Evans, Home Affairs Correspondent. The abolition by the Lord Chancellor in 1973 of a scale of charges for conveyancing has resulted in price competition, the society says. It estimates that conveyancing charges are about 13 per cent lower than 10 years ago.

Chemists fight threat 'to cut profit'

By Nicholas Timmins, Social Services Correspondent. Patients with prescriptions will have to wait for their drugs and fewer chemists' shops will open late if the Government approves a threatened cut in pharmacists' profits, high street chemists said yesterday.

Banks' return means easier home loans

By Peter Wilson-Smith. House-buyers should find it easier to arrange a mortgage in the new year with the return of the big banks to the mortgage market.

'Innocent' Broadmoor man free

By Our Home Affairs Correspondent. Mr John Walters, who was jailed for four years in 1973 for a crime he continues to deny, was released from Broadmoor special hospital yesterday, after more than 10 years' detention. The case was described as extraordinary yesterday, by Mr Tom Sargant, former secretary of Justice, the British section of the International Commission of Jurists, which has campaigned for seven years on Mr Walters' behalf.



Mr John Walters yesterday: Free, and maintaining his innocence (Photograph: Orde Eliason).

Man wins right to be paid in cash

Mr Trevor Johnson, a Yorkshire service engineer, has finally won a dispute with his employers over his insistence on being paid weekly in cash instead of by monthly cheque.

THIS NEWSPAPER HAS ONLY ONE SPACE BIG ENOUGH TO TELL YOU ALL ABOUT MINOLTA'S UNIQUE ZOOM PHOTOCOPIER.

Helen Smith inquest may cost £100,000

The final bill for the Helen Smith inquest could be almost £100,000, Mr John Gunnell, the leader of West Yorkshire County Council said yesterday. That includes an estimated £48,346 in fees for Sir David Napley and Mr Harold Fowler, the solicitors.

Coroner's warning over 'human drug capsule'

Mr Ian Fuller, aged 22, a labourer, who smuggled heroin in his stomach, died in agony, Battersee Coroner's Court in south London was told yesterday. Some of the hundreds of capsules he swallowed at the end of a holiday in India burst when he got home after the flight to Britain.

Clare assets to remain frozen

The High Court refused yesterday to free £4m on the mainland assets of Stype Investments (Jersey), the settlement set up by Sir Charles Clore shortly before his death in July, 1979.

Cooperative sold

Unicorn Shirts, of Taunton, Somerset, a shirt factory set up as a workers' cooperative by the Transport and General Workers' Union two years ago, has been sold to a Manchester shirt manufacturer for about £70,000.

Centenary candle

The Archbishop of Canterbury, Dr Robert Runcie, will light the first of a worldwide chain of candles tomorrow at the start of celebrations for next year's centenary of Toynbee Hall, the voluntary social service settlement in east London.

Advertisement for Minolta EP450Z zoom copier, including an image of the machine and a form for requesting more information.

Geneva missile talks limp along for 35 minutes despite cruise deployment

The US Soviet negotiations on limiting intermediate range nuclear missiles in Europe are still limping along - just - despite the arrival of the cruise missiles at Greenham Common.

From Alan McGregor, Geneva

Tuesday, could mean the end, or suspension, of both INF and Start talks until the superpowers are reconvinced of mutual interest in restraints on nuclear missiles of all kinds, perhaps in one set of negotiations covering the entire panoply.

In the meantime, despite the onset of winter, the indefatigable "peace camp" campaigners, in flimsy tents just off the Avenue de la Paix, keep up their endeavour, pushing white paper peace doves under car screen wipers.

● STRASBOURG: The European Parliament yesterday prepared to vote convincingly in favour of deployment of cruise and Pershing 2 missiles with a debate which showed how passionate and fragmented the nuclear disarmament lobby in Europe has become.

arms construction and sales. This month, with scarcely a murmur of dissent, it has placed the question of missile deployment very near the top of its agenda.

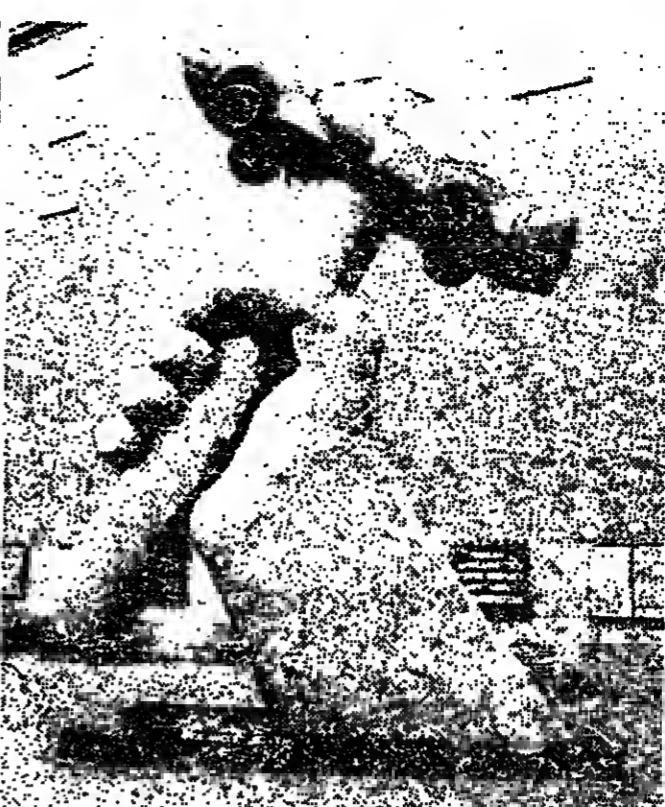
This brought the Greek Foreign Minister into the nuclear firing line. His Government has made no secret of its opposition to deployment and as president of the Council of Ministers he has sought in the past to force member-states to consider calling for a six-month freeze on deployment in order to keep the Soviet Union at the Geneva negotiating table.

But having been ruled out of order on this by his peers when he chaired an EEC political cooperation meeting in Athens in September, Mr Haralambopoulos refused to be drawn into the parliamentary debate yesterday.

● MELBOURNE: About 200 women yesterday broke down the front gates of the joint Australian-United States secret communications monitoring base at Pine Gap near Alice Springs to draw attention to the arrival in Britain of the American cruise missiles.



In and out: Mr Yuli Kvitsinsky, the Soviet delegate, arriving for yesterday's talks in Geneva.



Under the hammer: This 15ft "Thor's hammer", by Bengt Lindstrom, is part of an exhibition of Swedish art on show in Stockholm.

Uproar at 'Gestapo tactics' of deportation

From Michael Binyon, Bonn

Uproar has broken out in Hanover over the way a seriously ill Turkish woman and her six children were woken at 6am by a police raid, ordered to pack their bags and immediately bundled on to an aircraft for Istanbul.

Critics say the deportation was reminiscent of Gestapo tactics. The police broke into the flat through a cellar window and gave the startled family only minutes to pack. The father, a Kurd who had applied in 1979 for political asylum in Germany on the grounds of religious persecution in Turkey, was not at home at the time.

The mother collapsed and was taken to hospital and the children were deported without her.

The attempt to limit the right of asylum has become a sensitive topic here after a young Turk committed suicide during a court hearing in Berlin in August, and a visit here by Mr Pöhl Hartling, the United Nations High Commissioner for Refugees, was cancelled after an angry exchange over German asylum laws with Herr Friedrich Zimmermann, the Interior Minister.

High and dry on Danube

From Our Correspondent, Vienna

Shipping came to a halt on the Danube yesterday when the water level fell below the 27in mark. The long, dry autumn has left the river unnavigable. In Hungary seven ships are stranded. Last year, the Danube carried more than 7.6 million tonnes of cargo, some 400,000 tonnes of which was Russian.

Gdansk protest at priest's custody

From Roger Boyes, Warsaw

An impromptu demonstration of some hundred Gdansk parishioners was provoked yesterday by the official interrogation of their priest, father Henryk Jankowski, a friend of Mr Lech Walesa and an outspoken champion of the banned Solidarity organization.

When the priest, who is accused of injecting anti-government criticism into his sermons, emerged from the Gdansk prosecutor's office he was surrounded by several hundred of his supporters. After presenting him with flowers, they marched to St Bridget's church, near the shipyard gates.

Write the truth, they chanted when passing the local newspaper offices on their way. The police who had surrounded the office - and who had detained briefly several dozen Western reporters as well as a few demonstrators - did not intervene violently and allowed the protest to run its course.

In his church, Father Jankowski told his parishioners that he had denied all the charges saying that they were ill-founded.

"I have been doing nothing outside my priestly duties", he said. "I have not been stirring up unrest".

The official case is that demonstrations have often occurred after his sermons and that he has been using them to spread "false information." This is the sharpest action to be taken against radical priests in Poland although at least one other young priest in Warsaw is being investigated with a view to framing charges against him.

Father Jankowski said that the episcopate would be informed of the actual course of his interrogations, although the bishops already knew much about his case.

On Sunday, workers held a low-key protest in which they laid wreaths to the memory of workers injured or arrested in the 1976 price rise disturbances at the Ursus tractor factory in Warsaw.

Tour firms grumble at Lisbon tax

From Our Correspondent, Lisbon

Representatives from 18 of Britain's leading tour operators met Senhor Alvaro Barreto, Portugal's Minister of Commerce and Tourism, in Lisbon to lodge a complaint against the 1,000 Escudo (£3.50) exit tax recently levied on all tourists leaving Portugal.

The tour operators, who under British law are unable to pass the tax on to their customers, claim it will cost them nearly £500,000 by the end of the year. They are asking the Portuguese Government to reimburse them.

Senhor Barreto assured the tour operators that the exit tax will be taken off by the end of December, as planned. It was an emergency measure to help cover this year's budget deficit.

Senhor Barreto did not promise to refund the taxes paid by the British tour operators, but did tell them that the problem would be studied and an answer given by the end of the month.

Germans seize computer

New York (AP) - West German authorities seized a sophisticated computer made in the United States seven minutes before it was to leave for the Soviet Union via Sweden, according to officials here.

Mr Michael Kaufman, New York spokesman for the US customs service, said that the shipment was stopped in Hamburg on Friday.

US customs officials in West Germany told the Bonn Government about the planned shipment after receiving word that the Digital Equipment Corporation's mini-computer would be smuggled into the Soviet Union.

The Commerce Department banned the computer's shipment to Eastern block countries to prevent its use for military purposes, Mr Kaufman said.

Mr William Green, deputy assistant commissioner of the customs service, told The New York Times the Vax 11-782 computer could be used "for missile guidance or something like that", and for "keeping track of troops and weapons".

Rival Indian meetings discuss Botha offer

From Michael Hornsby, Johannesburg

A split in South Africa's 85,000-strong Indian community over whether to cooperate with the new constitution approved by the country's 4,600,000 whites in a referendum earlier this month was exposed at rival political meetings in Durban. Most of South Africa's Indians live in Natal, of which Durban is the biggest city.

In Pretoria, leaders of three mixed-race (Coloured) political parties favourably disposed to the new constitution met Mr Chris Heunis, the Minister of Constitutional Development. The leaders of the two biggest parties said that they would like a referendum for Coloureds as well, but that they would leave

the final decision to party congresses at the end of December and in early January.

Mr P. W. Botha, the Prime Minister, addressed between 2,000 and 3,000 Indians in Durban's City Hall on Monday, and urged them not to "go up n cul-de-sac" by rejecting the constitution.

The Prime Minister was upstaged, however, a few hours later by an even larger gathering in Durban organized by Indians opposed to the new constitution, which provides for a segregated, three-chamber Parliament for whites, Indians and the 2.7 million coloureds, but excludes the 21 million black Africans.

HALIFAX XTRA INTEREST ACCOUNT

7 DAY OR STRAIGHT AWAY.

7 days' notice

That's all you have to give to withdraw money from the Xtra Interest account and lose no interest. But if you want instant access, you lose only 28 days' interest on the amount withdrawn.

8.25% net = 11.79% gross*

Now you get a little Xtra interest when you invest £500 or more.

And if you leave the half-yearly interest to compound, it rises to 8.42% net = 12.03% gross* per annum.

Monthly income

There's another option for your interest - you can choose to take it as monthly income on balances of £1,000 or more.

And if you do, we'll transfer it directly into your Halifax Paid-Up Share account or bank account.

So to make much more of your money, open an Xtra Interest Account.

But don't leave it 7 days - do it straight away.

To: Halifax Building Society (Ref IKW), Freepost, Trinity Road, Halifax HX1 2RG.

I (We) enclose a cheque for £ (min. investment £500) to be invested in Halifax Xtra Interest.

I (We) would like the interest to be: added to balance subject to the maximum total holding of £30,000 (£60,000 for a joint account) paid half-yearly paid monthly (min. investment £1,000).

NAME(S) _____

ADDRESS _____

SIGNATURE(S) _____

DATE _____

HALIFAX THE WORLD'S NO.1

CYPRUS... TWO ORIGINAL PAPERBACKS
£1 THE RAPE OF CYPRUS £1
Kleopatras Hall (Author of 'Cleopatra's Cyprus')
'A plan to save Cyprus... short account of the island's political and racial history' - The Daily Mail, Bath
£1.50 APHRODITE'S LAMENT £1.50
Leda Ball (Author of 'I Remember Cyprus')
'Authentic background to a tale of political intrigue, handsome race ingredients - and some very adventures' - Plymouth Times
PROSPERITY PUBLICATIONS PO BOX 159 LONDON NW1 7HZ

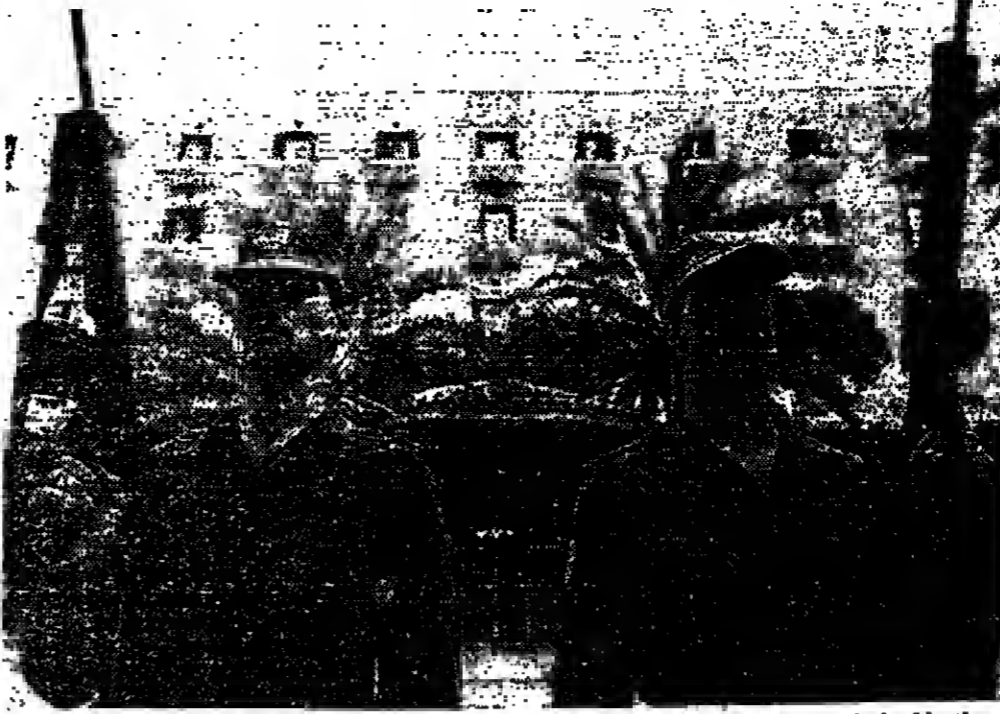
*ALL INTEREST RATES QUOTED ARE VARIABLE. GROSS RATES APPLY TO BASIC RATE TAXPAYERS. HALIFAX BUILDING SOCIETY, PO BOX 60, TRINITY ROAD, HALIFAX HX1 2RG.

Turkish Cypriots declare UDI: Climax to a process begun in 1975

Ankara gives grudging recognition to the Denktas republic

Turkey yesterday recognized the newly-founded "Turkish Republic of Northern Cyprus", making clear, however, that its recognition was grudging.

From Rasit Gardilek, Ankara
Turkey yesterday recognized the newly-founded "Turkish Republic of Northern Cyprus", making clear, however, that its recognition was grudging.



Dividing line: The Ledra Palace Hotel in Nicosia guarded by UN troops. It is inside the buffer zone dividing Turkish north from Greek south.



Rivals: Mr Denktas (left), Turkish Cypriot leader, and President Kyprianos.

A life-long goal achieved

Ostensibly, the Turkish Cypriot declaration of independence is intended to "facilitate the establishment of a genuine federation" between Greek and Turkish Cypriots.

Israelis head for 200% inflation

From Christopher Walker, Jerusalem
The economic plight of Israel worsened yesterday with the publication of official statistics showing that inflation last month jumped by a record 21.1 per cent.

Economists say inflation rose to 126.1 per cent during the first 10 months of this year and could approach a crippling 200 per cent by the year's end.

Publisher fined \$10,000 a day

Los Angeles (Reuter) - A judge ordered Larry Flynn, publisher of Hustler magazine, to pay \$10,000 (about £6,700) a day until he agrees to reveal the source of a tape recording.

Judge Robert Takasugi also fined Flynn, who is confined to a gold-plated wheelchair after being shot in an assassination attempt, \$25,000 for failing to appear in court on November 1 to hand over the tape.

Heineken clues

Amsterdam (AFP) - Dutch police have a detailed description of the three kidnappers of Mr Freddy Heineken, aged 60, the brewing millionaire seized with his chauffeur here eight days ago.

Toll of Tyre suicide bombing rises to 61

Tel Aviv (Reuter) - The death toll in the suicide bombing of Israel's security headquarters in Tyre, southern Lebanon, rose to 61 yesterday with the death of a wounded Israeli soldier.

France in dark

Paris (AP) - A four-hour strike by electricity workers hit about two million people in Paris, Marseille, Lille and Toulouse during the early morning.

Nuns protest

Baguio, Philippines (Reuter) - About 50,000 people, including Roman Catholic nuns, called on President Marcos to resign in a march along the main street of Baguio, a city regarded until now as a Marcos stronghold.

Foam of anger

Amsterdam (Reuter) - Protesting firemen spread a carpet of foam 13ft high around the Dutch Parliament as public sector unions stepped up strikes and go-slow ahead of talks with the government on a proposed pay cut of 3 per cent.

Crash kills 16

Istanbul (AP) - Sixteen people were killed and 24 others hurt when a bus collided with a lorry and another bus in heavy fog in Sakarya, 62 miles east of here.

Pinta penalty

Stiffer penalties on farmers who overproduce milk and cereals are advocated by the House of Lords Select Committee on the EEC in a report published today.

Train death

Toulouse (AFP) - Three soldiers of the French Foreign Legion are being questioned about an incident on a train during which an Algerian was thrown out of a window to his death.

Pilot's reward

Taipei (AP) - A Chinese Navy pilot who defected to Taiwan in a MiG 17 will be commissioned a major in the Taiwan Air Force but will receive a gold reward less than originally reported.

Four hanged

Tehran (AFP) - Four drug traffickers, one an Afghan, were hanged in the Gulf port of Bandar Abbas and on Qeshm Island, the Daily Kayhan reported here.

Suicide by fire

Tokyo (Reuter) - More than 750 Japanese committed suicide last year by setting fire to their homes, an average of more than two a day, according to a government report.

Coexistence pledge to Greek Cypriots

Nicosia (Reuter) - The following are extracts from yesterday's proclamation of an independent republic by the Turkish-Cypriot leadership in northern Cyprus.

US officer shot dead in Athens

From Mario Modiano, Athens
A naval captain detached to the US military aid mission to Greece and his Greek driver were shot and killed by two terrorists as they drove into Athens early yesterday.



Athens alert: Police guarding the car in which Captain Tsantes was shot dead.

unequivocally such acts of violence which can "only serve unlawful and suspect interests".

Syria accused of killing detainees

By Rodney Cowton
Syrian security forces are accused of systematic violations of human rights, including torture and political killings, by a report published today by Amnesty International.

OAS stunned by chief's resignation

From Our Correspondent, Washington
Senor Alejandro Orfila, a veteran Argentine diplomat, is resigning as Secretary-General of the Organization of American States.

Latin America united against Britain

From Zoriana Pysariwsky, New York
Latin American countries in the United Nations General Assembly have shown strong support for Argentina in its dispute with Britain over the Falklands.

Syria accused of killing detainees

He pledged then to reduce it to "manageable proportions" but would give no exact figures and emphasized that an improvement in the balance of payment position was now his priority.

Sanctions end

Tokyo (Reuter) - Japan lifted sanctions imposed on the Soviet Union after Russian fighters shot down the South Korean airliner north of Japan in September.

Train death

Toulouse (AFP) - Three soldiers of the French Foreign Legion are being questioned about an incident on a train during which an Algerian was thrown out of a window to his death.

Pilot's reward

Taipei (AP) - A Chinese Navy pilot who defected to Taiwan in a MiG 17 will be commissioned a major in the Taiwan Air Force but will receive a gold reward less than originally reported.

Four hanged

Tehran (AFP) - Four drug traffickers, one an Afghan, were hanged in the Gulf port of Bandar Abbas and on Qeshm Island, the Daily Kayhan reported here.

Suicide by fire

Tokyo (Reuter) - More than 750 Japanese committed suicide last year by setting fire to their homes, an average of more than two a day, according to a government report.

Grenada interim council sworn in

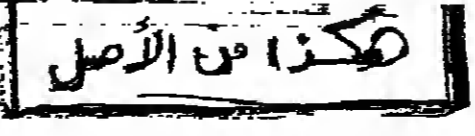
From Christopher Thomas, St George's
Members of the Grenadian interim Government, swearing allegiance to the Crown, took the oath of office yesterday and immediately pledged that naming a date for free elections would take top priority.

Castro onslaught on Reagan as Havana mourns

Havana (AFP) President Castro, in a speech over the bodies of 24 Cubans killed in Grenada, said that mankind was threatened by nuclear warfare because of President Reagan's "rash and fascist" policies.

NO ENTERPRISING BUSINESSMAN SHOULD IGNORE THIS OFFER

Advertisement for BSC Industry featuring various services like feasibility study, grants, loans, and support. Includes contact information for NLA Tower, 12 Addison Road, Croydon CR9 3JH.



The royal visit to Bangladesh

Queen honours victims of independence war

From Michael Hamlyn
Dhaka

The Queen yesterday drove out into the countryside at the muddy end of the Indian subcontinent to lay a wreath in the mass grave of thousands of Bangladeshis killed during the struggle for independence from Pakistan.

Under the enormous sky of the combined deltas of the Brahmaputra and Ganges, a heavily guarded cavalcade, led by her six-door white Mercedes limousine, wound through the outskirts of Dhaka where thousands of cheerful citizens stood and waved.

Out to the buzzing countryside the villagers, many waist-deep in the waters of the Burhi Ganga, of Old Ganges, turned to wave too. Fishermen in graceful, sharply raked boats stopped casting their nets to watch, and the village women balancing children on their hips peered round the woven palm-leaf walls of their huts.

Schoolchildren, the boys in shorts the girls in shawls and kameez, the traditional Muslim baggy trousers and loong shirt, stood in ordered rows, and school bands played under decorated archways of welcome. The girls waved their white doppatis, scarf-like shawls, as the cavalcade passed.

The mass grave, which was discovered after the defeated Pakistan Army was forced to yield independence to the former eastern wing of their country, is now the site of a national martyrs' memorial.

The shadeless brick mous-



Guest of honour: The Queen and her host, President Choudhury, at Bangabhaban Palace in Dhaka.

leum is dominated by a 150-ft-high monument of seven separate concrete triangles, nesting within one another to look like a soaring fluted pyramid.

At its foot an honour guard from the East Bengal Regiment in well-pressed camouflage overalls and shining American-style helmets presented arms

while four buglers sounded "Last Post" and "Reveille". The Queen, in a red flowered dress with an ivory straw Breton hat trimmed in red and with white shoes, signed a visitors' book and planted a tree.

When she returned to Dhaka the Queen visited the presidential palace, Bangabhaban, where

she was saluted under a crimson canopy embroidered with a golden lotus — Bangladesh's national flower. She inspected a guard of honour of the President's Guards before sitting to the chandeliered durbar hall with the President, Mr Ahsanuddin Choudhury. Mr Choudhury, a former Supreme Court judge, is expected to be named

as chairman of the political party soon to be founded by Lieutenant-General Husain Ershad, the military ruler of Bangladesh. Earlier in the day General Ershad told the BBC that he would definitely be a candidate in the presidential election, and that he would retire from the Army before it was held.

Spain's schools in transition

Breaking the class barrier

Richard Wigg, Madrid Correspondent, continuing his journey down the River Ebro, reports from Zaragoza on education. This is the third of four articles.

If you are a successful and wealthy surgeon in this big industrial city (population 570,000), which likes to regard itself as capital of the whole Ebro region, there are no longer any easy answers about where to send your son for the best education.

There is little opportunity in Spain generally for conspicuous expenditure on education. The church-run private boarding schools virtually disappeared more than a decade ago: neither schools nor parents thought of meeting rocketing costs, and for an Aragonese it would be unthinkable to banish a boy from his family for months in faraway Madrid, where the Colegio del Pilar is perhaps the nearest thing in Spain to a leading British public school.

The choice at Zaragoza comes down to three, if you discount the college run by Opus Dei, the right-wing Catholic lay organization.

The first is El Salvador College, run by the Jesuits (Luis Buñuel, Spain's greatest film director, was a pupil there) which costs at most £350 a year at secondary level. It has more than 3,000 pupils from primary to pre-university levels, and now takes the maximum available state education grant.

The second is the Goya Institute, Zaragoza's most

famous grammar school, dating from the 1870s. It costs £26 a year at O level.

Finally, there is Zaragoza's own Pilar College, founded in 1946, run by the Marianist Fathers. With extras, it costs about £500 a year. The college agreed with the Socialist Government last August to take an 85 per cent grant.

"Our school must reflect society. If the state pays it does so for all of society." Father Vicente Parra, El Salvador's best convert

The Marianist Fathers emphasize that they are opposed to educating an elite of better-off children, but their public image is against that. The school is situated, unlike the other two, on the city's outskirts in the best residential area, and children are taken to it by bus from all over town.

"We know we are not alone in education. I calculate that half of our 2,000 pupils' parents would be unable to meet the fees if we were forced to go private, which we did not wish to do anyway," the headmaster told me, referring to Spain's new Education Bill, which now before Parliament.

The most explosive aspect of this Socialist measure is greater financial control by the state over all kinds of private education, including church schools and over the running of schools.

Low family income was now taken into account when awarding admissions and scholarships, he said, adding: "We try



EBRO JOURNEY Part 3

headmaster, who is also chairman of the Spanish Jesuits' national education commission, told me firmly.

"I can tell you, the more we modernize our attitudes, serving society in line with the Second Vatican Council and throw out the relics of our past, the more difficulties we will have," he said of conservative-minded parents.

Tomorrow: The delta

Talks on Hongkong future end in hope

Peking (AFP) — Britain and China yesterday wound up their latest round of talks on the future of Hongkong on an encouraging note, with a joint statement saying that they were "useful and constructive". The seventh round will take place here on December 7 and 8, the statement said.

There was no word on the content of the current session which started on Monday, but the phrasing of the statement suggested the talks went off without incident.

Over the summer, joint Sino-British statements released at the end of several rounds of talks simply announced the date of the next meeting, without using the formula "useful and constructive", while China launched a spate of bitter attacks in its press.

The Chinese attacks ended last month with the previous round of talks, also described in a joint statement as "useful and constructive".

Last week, China publicly repeated that it intended to release its "policies and guidelines" on Hongkong some time next year. Most of the colony is due to revert to China in less than 14 years when Britain's 99-year lease on the New Territories area expires.

● HONGKONG: The *Wide Angle*, a pro-Peking magazine in Hongkong with reliable Chinese Communist Party connections, claimed yesterday that China had drafted three possible administrative policies for zone government in Hongkong after 1997 (Richard Hughes writes).

It attributed the information to a local delegate to the Chinese People's Political Consultative Conference.

The three alternative proposals are:

1. If cooperation with the British is not satisfactory and the democratic consciousness of the citizens is not fully developed there will be a merger of the Executive and Legislative Councils (Hongkong's existing "Government" and "Parliament") and some of the members will be elected by the people. How the chief administrator is elected would depend on the current situation.

2. If Britain allows Hongkong people to administer the colony in a democratic way, and there is a good democratic atmosphere, there will be a full democratic election.

3. If Britain does not educate Hongkong people to develop democratic consciousness, there will be a consultative process to elect the chief administrator.

France declares nuclear tests will continue

Wellington (Reuter) — France will continue with nuclear tests in the South Pacific indefinitely, M Claude Chéysson, the French Foreign Minister, said yesterday.

M Chéysson, defending French nuclear policy, said at a press conference that his Government was convinced that the nuclear deterrent was the best arm for peace. There have been strong objections from nations in the region to the nuclear tests.

● CANBERRA: M Chéysson arrived in Canberra yesterday for talks with Australian leaders (AFP reports).

He will have talks today with Mr Bob Hawke, the Prime Minister, Mr Bill Hayden, the Foreign Minister, and Mr Lionel Bowen, the Minister for Trade.

India opposition walks out of Parliament

From Kudrip Nayyar
Delhi

The Opposition in both Houses of parliament walked out on the opening day of the winter session in protest against the refusal to discuss the alleged attempt to bribe an independent MP by the ruling Congress (I) party in Karnataka.

At a press conference in Bangalore on Sunday, the MP, Mr C. Byre Gowda, produced bundles of notes to the value of 200,000 rupees (£13,000) and played a tape with an alleged recorded conversation with the Congress (I) Assembly leader, Mr Veerappa Molly.

Congress (I), has been trying for some time to oust the Janata government in Karnataka through defection of its MPs.

N Korea attacks Reagan

Tokyo (Reuter) — North Korea yesterday denounced President Reagan's trip to South Korea as a "vicious challenge to the entire Korean people" aimed at leading the peninsula to the brink of war.

A Foreign ministry statement, carried by the official (North) Korean Central News Agency and monitored here, said that President Reagan had undertaken the three-day trip to burnish his image for next year's presidential election.

The President's trip "was a war-oriented trip for strengthening still more the colonial, provocation of another war in Korea (and) routing off the

US-Japan-South Korea three-way military alliance".

● WASHINGTON: On his return to America on Monday President Reagan told White House staff that the United States was working with Japan and South Korea as partners "to make tomorrow better and more secure" (Mohsin Ali writes).

He said he was pleased to report good news: "America's partnerships are stronger and prospects for a more secure peace and prosperity are better today than a week ago" when he flew to Tokyo.

President Reagan, who will visit China next April, thought that the next century would be the century of the Pacific.

PROGRESSIVE EFFICIENCY.



FOR ENHANCING PRODUCTION.

Efficiency is the key to production; to production volume, to production quality. At Fiat we are forever striving for greater efficiency through consistent investment in the latest manufacturing facilities and production techniques. The result: products that are more reliable, more convenient and more competitive.

Fiat is dedicated to creating the ideal conditions for success.

Above all there is a new sense of confidence born of greater commitment to excellence: a revival of the values of efficiency and cooperation that have been a feature of Fiat's past.

Such are the new conditions that are creating our cars, our industrial vehicles, agricultural equipment and trains — a whole range of up-to-the-minute products.

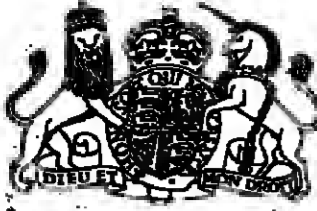
Now, as markets become ever more demanding, Fiat is revitalising all areas of its business to meet the challenge.

GROUP FIAT

A progressive enterprise at work.

ALTERNATIVE SHOPPING
... TEA, COFFEE, WHOLEFOODS, BASKETS, BAGS, BOXES, CARPETS, FABRICS, RECYCLED PAPER, CARDS... more than 300 items from community based Third World projects in the new, free, 60 page Traidcraft catalogue. Owned by a non-profit making trust and supported by all the major churches, Traidcraft puts people before profit. Traidcraft is different, you can find out about the people who make the products, how they live, what they earn. If you are concerned about a fairer world send for the Traidcraft catalogue today. No stamp needed.

Traidcraft
Mail Order Dept.
FREEPOST
Ostleshed NE11 5AR



COURT AND SOCIAL

COURT CIRCULAR

BUCKINGHAM PALACE November 15: His Excellency Mr Mohamed Mahdi Al-Tajer...

The Princess Anne, Mrs Mark Phillips, Patron of the Riding for the Disabled Association...

His Royal Highness, attended by Mr John Higgs and Mr Victor Chapman, travelled in the Royal Train...

Fortcoming marriages Mr J. S. Capes and Miss S. E. B. Alloo...

Mr R. L. S. Phillips and Miss S. J. Moloney The engagement is announced...

Sir Ralph Richardson There will be a sung requiem Mass, according to the rites and texts...

Dr R. J. Gilbert and Miss A. E. Waterhouse The engagement is announced...

Mr R. L. S. Phillips and Miss S. J. Moloney The engagement is announced...

Lord Wakefield of Kendal The Duke of Edinburgh was represented by Mr A. C. Gilmour...

Cartier advertisement featuring a watch and the text '3 GOLD, QUARTZ LC VENDOME WATCH'.

Dr S. P. Lockhart and Dr D. L. McVey The engagement is announced...

Luncheons

HM Government Mr Norman Tebbit, Secretary of State for Trade and Industry...

Dinners

Lincoln's Inn Princess Margaret, a bencher, dined with the Treasurer of Lincoln's Inn...

YORK HOUSE ST JAMES'S PALACE November 15: The Duke of Kent, Patron of the Army Ski Association...

HM Government Sir Geoffrey Howe, QC, Secretary of State for Foreign and Commonwealth Affairs...

Anglo-Portuguese Society The annual dinner of the Anglo-Portuguese Society was held at the Anglo-Portuguese Club yesterday...

Anglo-Portuguese Society The Anglo-Portuguese Society held their annual dinner at the Intercontinental Hotel on Thursday...

New secretary for Catholic conference

Father Vincent Nichols, Director of Upholland Northern Institute, Lancashire...

Birthdays today

Mr Willie Canon, 41; the Right Rev Dr C. R. Claxton, 80; Air Vice-Marshal Sir Conrad Collier, 88...

Latest wills

Latest wills include (net, before tax paid): Baronet Mr Thomas Desmond, of St Austell, Cornwall, £403,577...

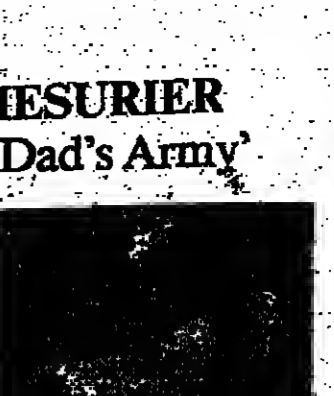
OBITUARY

JOHN LE MESURIER Sgt Wilson of 'Dad's Army'

John Le Mesurier, star of the television comedy series, Dad's Army, and a familiar face from dozens of British films...

MR LIONEL ROBINSON

A. R. A. H. writes: Mr Lionel Robinson, CBE, MC, one of the most respected of the older generation of antiquarian booksellers...



rich comic creation. The exchanges between Le Mesurier's Sergeant Wilson, a good humoured, ineffectual, bawdy man...

LADY BUXTON OF ALSA

Lady Buxton of Alsa, the wife of Lord Buxton of Alsa, MC, DL, chief executive of the Anglia Group Ltd and of Independent Television News Ltd...



Baron Wilson of Rievaulx with his sponsors, Baron Shackleton (left) and the Earl of Longford, before being introduced into the House of Lords yesterday.

Memorial services

Lord Wakefield of Kendal The Duke of Edinburgh was represented by Mr A. C. Gilmour at a memorial service...

Mr J. J. Gilpin Prince Rainier of Monaco, brother-in-law, and Princess Caroline of Monaco were present at a service...

Dame Isobel Baillie A memorial service for Dame Isobel Baillie was held yesterday at the Church of the Holy Sepulchre...

Science report

Whales stranded by topographical traps By Tony Sanstang

Reports of strandings of live dolphins, whales or other cetaceans tend to attract attention but, in fact, strandings are rare...

"Although at first sight the use of geomagnetic topography may appear a dangerous strategy, there are a number of good reasons for cetaceans to use geomagnetic cues..."

reasonable to suppose that live stranded animals are outside their usual areas, and hence exposed, perhaps for the first time, to the problems involved in following geomagnetic topography in coastal waters..."

MOTHER PASCALINA LEHNER

Mother Pascalina Lechner, who was in charge of the household of Pope Pius XII throughout his pontificate and who exercised a considerable degree of control over who had access to him, died in Vienna on November 13 at the age of 89...

MOTHER PASCALINA LEHNER

Berlin and then to Rome who he returned to become Secretary of State. During his pontificate, from 1939 to 1958, she came to play quite a role in the organization of his time.

Large vertical advertisement for 'Ara' magazine featuring a woman's face and the text 'The oil wealth drama today & Gulf'.

United Arab Emirates

The oil bonanza of the 1970s brought undreamed of wealth to the seven small desert sheikhdoms. It dramatically changed the lives of the people. But today a more cautious mood prevails in this Gulf federation, as John Witherow reports.

On the outskirts of Dubai, in the middle of a roundabout there once flickered the Eternal Flame. The impressive arch built to house the torch is a symbol of the Emirates' prosperity; a tribute to the hydrocarbons which have transformed Dubai from a Gulf entrepot, awash with dhows and busy little water-taxis, into a gleaming city.

The only problem now is that the Eternal Flame is out. With more than a hint of irony it has fallen victim to energy conservation in a federation of emirates ranked as the world's sixth largest oil producer.

The dousing of the flame is merely one of the signals in the United Arab Emirates that a new mood prevails. It hints at an air of retrenchment and a sense of uncertainty about the future.

Along with other Gulf oil producers the UAE is coming to terms with declining revenues and budget deficits, serving as a reminder that however rich its resources beneath the earth, it is a small nation dependent on world markets and sited in a region torn by conflict.

The latter has been brought home sharply by the heightening of tension in the Gulf as a result of Iraq's threat to cut Iran's oil supplies.

Iran's counter-threat to block the Strait of Hormuz and thus effectively sever 20 per cent of the non-communist world's oil supplies has sent a tremor through the six states of The Gulf Co-ordination Council (GCC).

While conscious that many of the threats are merely rhetoric, the oil-producing states have had to admit that the unpredictability of the Iranian regime could lead to such drastic action and that there is very little they could do about it. In effect they would have to rely on the United States, which has a large task force in the area to clear the channel.

Such outside interference would not be welcome in the Gulf, and it has played a part in promoting the unity of the GCC, made up of Saudi Arabia,

the UAE, Bahrain, Kuwait, Oman and Qatar. Its recent military parade in Abu Dhabi, codenamed Peninsula Shield, was the first tentative step towards forming a force capable of providing a counterweight to Iran and Iraq.

The UAE, however, is fully aware of its vulnerability, and like other Gulf states sits on the edge of the war like an audience at an avant-garde play, fearful of being hauled on to the stage.

It is this in part which has led to a complex relationship with Iran and Iraq. Like Saudi Arabia and Kuwait, the Emirates give financial support to the Iraqi war effort (the UAE's dinars are said to amount to about £660m a year). But unlike their Arab allies the Emirates have maintained good relations with Iran. The Iranian Foreign Minister, Dr Ali Akbar Velayati, recently visited Abu Dhabi, and the UAE has refused to offer sanctuary to Iranian political refugees.

The important re-export trade between Dubai and



Sheikh Zayed: a move to open Iraq's pipeline.

Bandar Abbas, across The Gulf, which includes everything from Toyota trucks to fruit machines piled high on dhows, helps to cement these links. All this is sufficient to prevent a deterioration in relations, despite a recent initiative by Sheikh Zayed bin Sultan al-Nahayan, President of the UAE and ruler of Abu Dhabi, to open Iraq's vital pipeline through Syria and thus provide Saddam Hussein

with much-needed oil revenue.

But while their future may ultimately turn on development in the region, the Emirates are understandably preoccupied with their own economy.

Oil exports, which are expected to fall 20 per cent this year because of the oil glut and are perhaps half the amount the Emirates were exporting three years ago, have led to problems of readjustment.

Abu Dhabi and Dubai delayed the 1983 federal budget by several months and then announced that it would have a record deficit of £1,000m. Recently published figures show that the trade surplus in the first six months of this year fell £1.73bn from £3.06bn in the same period of 1982.

Although the Emirates, and especially Abu Dhabi, are still immensely wealthy, the slowdown in the economy will have repercussions, some of which may become permanent.

One banker in Abu Dhabi likened the Government's reaction to a grandfather clock: during the boom days the pendulum had swung one way, and now it had swung the other. He believed it would only be a matter of time before it found equilibrium, with a more sustained growth rather than the surge of recent years.

Abu Dhabi's tightening of visa requirements, with the consequent exodus of Indians, Pakistanis and other expatriates, is just one of the side effects. The local population, which perhaps numbers 250,000 in the seven emirates, is outnumbered by about five to one by foreigners.

But the real problem facing the Government could well be changing the aspirations of its people. For years they have become accustomed to extraordinary growth with the concomitant results of subsidized food and fuel, free electricity, water, land, education and medical services. Even plants are handed out as part of the policy of encouraging the greening of the desert. If the administration is



The army, trained and ready to fight

determined to cut back on expenditure some of these benefits may well have to go. Already the subsidy on petrol has been removed and there is talk of electricity charges.

The government in Abu Dhabi has indicated that there will have to be 20 per cent cuts in the numbers employed in the civil service and a general streamlining of efficiency. But curtailing state benefits is a politically sensitive area and one which Abu Dhabi, along with the other oil states, is only now beginning to consider.

As one observer put it: "The federation is only held together by money. Once that goes it will fall apart." While that is an overly pessimistic view, there are signs that an emerging educated middle class at the UAE's university in Al Ain and from colleges abroad will be pressing for a greater say in the future of the state.

In the meantime, it is acknowledged that after 12 years of sometimes shaky unity the federation is now as strong as ever. The illness of Sheikh Rashid bin-Said al-Maktoum, Prime Minister and ruler of Dubai, has in effect removed the strongest opponent of centralized rule, and Abu Dhabi's influence, partly as a result of its huge wealth and generosity to the poorer emirates, is growing steadily.

When the six states of the Gulf Co-operation Council exercised 3,600 of their troops in the desert of Abu Dhabi last month it was not by any stretch of the imagination a full-scale military manoeuvre.

It was, instead, a political message demonstrating that the Gulf states are firming a rapid deployment force to free them from military dependence on outside powers.

Code-named Peninsula Shield, it was the first military exercise since the GCC was formed in 1981 and came at a time when heightened tension in the Gulf has made the possibility of military intervention in the region all the more likely.

Other exercises, involving the air force and navy, are due to take place on a bilateral basis. The Emirates, for example, will meet with the Omani air force,

The two faces of modern Arabia. Camels still retain their popularity, particularly for racing, despite the intrusion of twentieth century values. Below: VIP Rolls with bodyguard.

and Saudi Arabia and Kuwait will train together next month.

For the UAE, however, the operation highlighted one of the rifts within the federation: no soldiers from Dubai's defence force took an active part.

With a stroke of inspiration, Dubai, which would have refused to send troops in any case, was delegated as the federation's defence force during the manoeuvres and an

embarrassing situation was neatly sidestepped.

Although the seven emirates theoretically integrated their forces in 1976, Dubai has continued to run its own force independently. It is, in the words of one diplomat, "a

France within Nato. A quite extraordinary situation exists whereby Dubai has its own private army and buys the weapons it wants separately of

the federation.

With about 6,000 men trained by British officers and NCOs the Dubai defence force is a proficient brigade capable of handling any small scale threat to its independence.

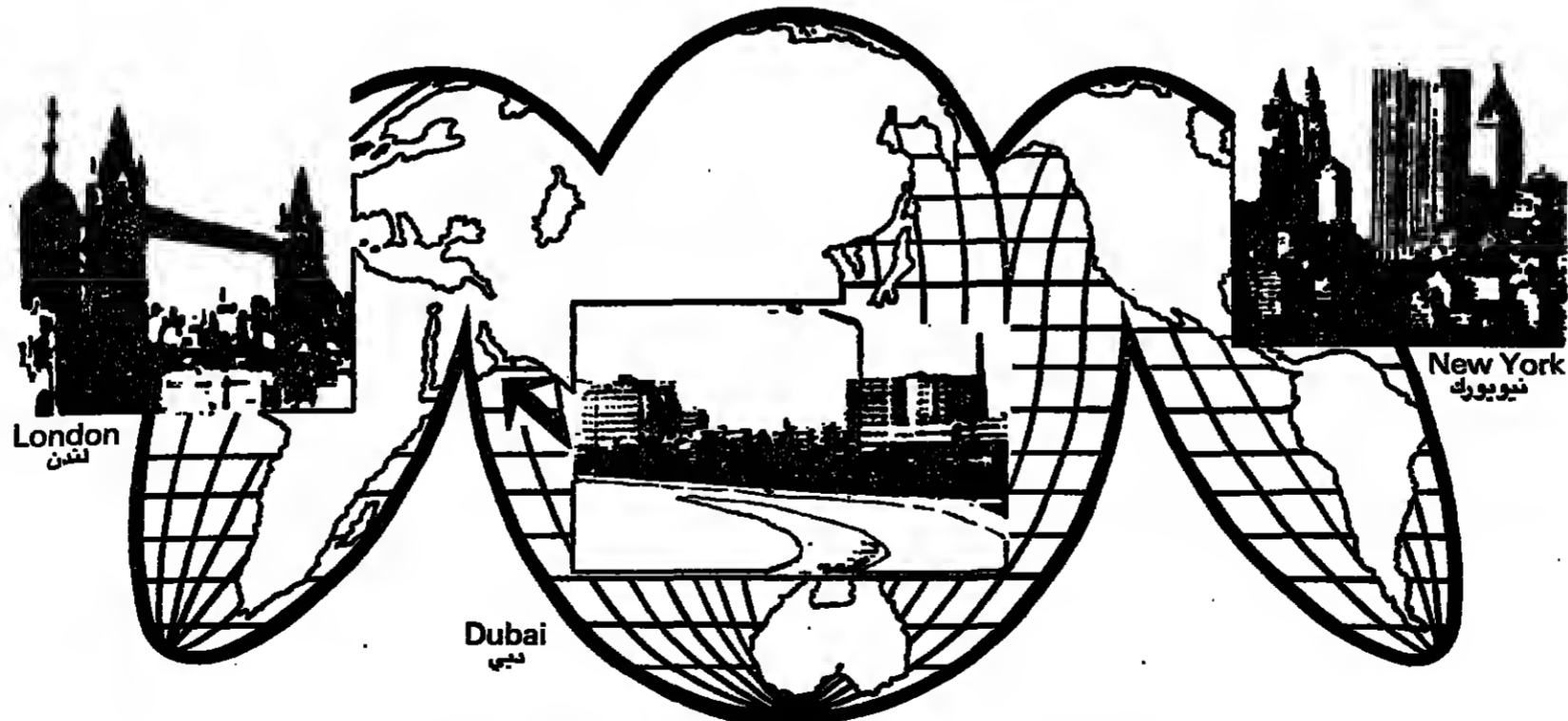
But naturally enough the bulk of the federation's 44,000 strong defence force is in Abu Dhabi, the biggest and richest emirate, where the general headquarters

Continued on page III

بنك دبي الوطني المحدود

THE NATIONAL BANK OF DUBAI LTD

Established 1963 under charter granted by His Highness Sheikh Rashid bin Saeed Al Maktoum, Ruler of Dubai and its Dependencies.



Authorised Capital Dh. 600,000,000
Paid Up Capital Dh. 455,892,000
Reserves Dh. 444,106,586

خدمات مصرفية كاملة للتعامل مع دبي والإمارات العربية المتحدة وجميع البلاد الرئيسية في العالم

A complete banking service for transactions throughout the United Arab Emirates and with all principal countries in the world.

عنوان البريد

صندوق البريد ٧٧٧ دبي - الإمارات العربية المتحدة - تلغرافيا : ناشيونال ، دبي

Head Office

P.O. Box 777, Dubai, United Arab Emirates. Telephone: 222241/5, 222255/8 Cables: 'NATIONAL' Dubai Telex: 45421 NATNAL EM.

Is there an end to the war on the road to Damascus?



Almost every Arab state has at one time or another appealed for an end to the war between Iraq and Iran in which tens of thousands have died, but their gestures have met with precious little response.

Because of the continuing threat to the stability of the Gulf, not to mention the drain on the financial reserves of Iraq's allies, Shaikh Zayed Bin-Sultan al-Nahayan, President of the UAE, has just embarked on his own out of shuttle diplomacy to ease pressure on Iraq.

With Tehran refusing to negotiate a cease-fire until the regime of President Saddam Hussein is overthrown, Shaikh Zayed has sought to persuade Baghdad and Damascus to end their differences. If he is successful, and so far there have been no promising signs, it would mean that Iraq's pipeline through Syria would be reopened and could start earning much-needed revenue to finance the debilitating war.

Not satisfied with this ambitious diplomatic tango, the shaikh has now declared that he is willing to help mediate in the dispute between Morocco and Algeria.

While some in the Emirates would say this is merely an extension of the country's foreign policy, others argue that it indicates a new determination to cut a figure on the international scene.

For the UAE the three-year-old Gulf war continues to dominate foreign policy with an awful tenacity. Every prediction of an end to the fighting has proved false.

And while the two powerful Gulf states slog it out, the Emirates and its allies within the Gulf Co-operation Council have to sit by helplessly hoping that the fighting will not spill across their borders.

In the early days of the war, one argument maintained that the UAE and other Gulf states were quite happy to see Iran and Iraq at each other's throats because it kept them out of mischief. Iraq was keen to set itself up as leader of the Arab world while Iran was determined to export its Islamic revolution.

Gulf states probably felt they could handle the former, but the



The face of the war across the water. A 15-year-old Iranian soldier during a lull in the fighting. Unlike other Arab countries, the UAE has maintained good relations with both sides.

UAE are inclined to smile and quote a proverb about not inviting the bear into one's vineyard because it will eat all the grapes.

FOREIGN RELATIONS

Apart from the Gulf war, Israel and Lebanon dominate the Emirates thinking. They are aligned with the GCC and this month's meeting in Doha, Qatar, is likely to confirm their stance.

The Gulf states have also been embarrassed by the suggestion of a United States-sponsored Jordanian force to help maintain stability in the region. That, they argue, is both undesirable and unnecessary.

The apparent intractability of the war does not seem to be deterring Gulf states from seeking some sort of solution. There is still pressure to create a war-free zone in the Gulf and to end attacks on civilian targets.

Saudi Arabia and Kuwait are likely to join the UAE in sending ministers to Damascus to try to improve relations, and there is also a possibility of another visit to Tehran. The last one, headed by UAE and Kuwaiti foreign ministers, did not succeed but they have not let failure put them off before. It may well be that the growing unity of the GCC will be able to bring greater pressure on the warring factions and it will be the Gulf states, rather than any superpower, who will eventually find a solution. J.W.

The whole is greater than the sum of its parts

How does a product turn into a success story in a highly competitive and mercurial marketplace?

How does a product continue to command brand loyalty in a market saturated with ostensibly similar products?

No product, however unique or attractive, can motivate sales by itself. To achieve a competitive edge over others, it requires merchandising acumen.

At Jumbo, we realized this ever since we first stepped into the marketplace. Over the years, we have spent time developing innovative marketing strategies, cultivating the consumers, establishing close rapport with our dealers and ensuring

that our after-sales service remains unrivalled.

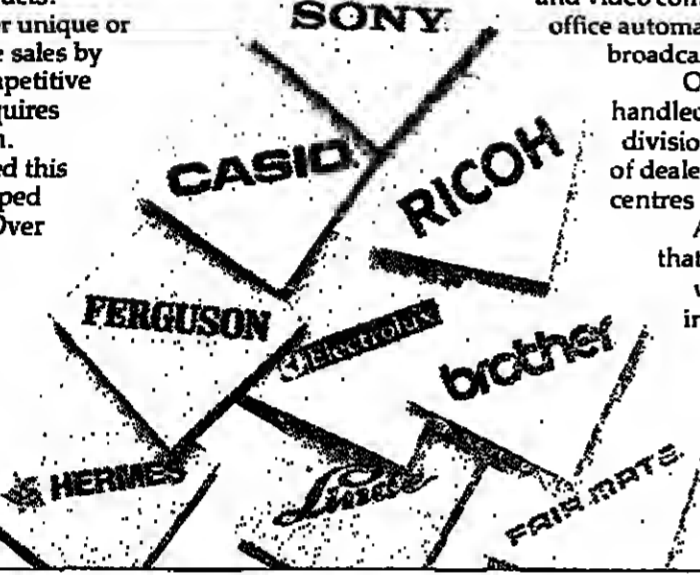
Today, we have diversified to include an entire gamut of consumer electronic products. From wrist watches to calculators, cameras, audio and video components, home appliances, office automation systems, sophisticated broadcasting equipment and more.

Over 50 international brands handled by eight well-orchestrated divisions through a large network of dealers, retail outlets and service centres in the Emirates.

All run on an energy source that will never run dry. People who blend experience with innovation to make the most of this marketplace.

Day in and day out.

For more information, send for our corporate brochure today.



Jumbo Electronics Co. Ltd.

Head Office: Jumbo House, P.O. Box 3426, Dubai, United Arab Emirates
Tel: 422555 (15 lines) Tx: 45845 JECOL EM.
Branches: Abu Dhabi P.O. Box 3832, Tel: 461797 Tx: 22969 JECOL EM, Sharjah P.O. Box 5331
Tel: 357624 Al Ain P.O. Box 15444 Tel: 642898 Ras Al Khaimah P.O. Box 1054 Tel: 32992
Associates in: Sultanate of Oman, India, Hong Kong, Singapore, Taiwan, Japan, U.S.A. & U.K.

Welcome to the end of the boom

THE ECONOMY

Books about the United Arab Emirates are very fond of "before" and "after" pictures. The first tends to show a desert strip with an untidy buddle of sun-baked clay houses inhabited by over-heated locals. The time is the 1960's.

Alongside this is placed a picture of a sea-side concrete extravaganza looking like Manhattan in a sand storm. The date is a mere 20 years later and the place the same: Abu Dhabi.

The comparison between the two is a stark reflection of the pace of development since oil revenues first started filling the government's coffers.

But after years of steep development with only the occasional dip, the economy of the UAE appears to have reached a plateau and future growth is likely to be much more stately.

Surprisingly enough the end of the boom years is being welcomed by local and expatriate businessmen and bankers. They say there is now a chance to consolidate, streamline and diversify, to put the economy on a much more solid basis and end dependence on the fluctuating international oil market.

The recession, which bankers in Abu Dhabi like to call a "slow down", is a timely reminder to the government that the source of its wealth, although it may last for another 70 years at present extraction rates, is finite.

"Every government document should have stamped in large letters at the top: 'What happens when the oil runs out?'" one senior official in Dubai commented.

Although some expatriates are sceptical that sufficient thought is being given to the long-term future, the government is attempting to curtail expenditure and diversify the economy.

But in the immediate future revenue comes from oil, OPEC has set a quota of 1.1m barrels a day for the UAE, although it is generally accepted that this is being unofficially exceeded by a couple of hundred thousand barrels.

Abu Dhabi and Dubai have almost all the oil of the seven emirates with Abu Dhabi holding the lion's share of some 85 per cent. Dubai, however, is still maintaining production at the fairly high level of some 340,000 barrels a day, which has reportedly led to friction within the federation.

The decline in oil revenue has led to various predictions about its impact on the balance of payments. The drop in investment income due to the world-wide fall in interest rates and a five dollar a barrel reduction in the price of crude has led some economic fore-

casters to predict a 1983 deficit of £1.46bn, compared with a £1.06bn surplus last year and £2.3bn in 1981. Unless demand for oil picks up next year the economy of the Emirates is likely to stagnate further in 1984.

The revenues for 1983 are projected at about 129bn dirhams, which is a drop of some 36 per cent over 1982, but expenditure is only due to fall by 18 per cent, explaining the overall increase in the budget deficit.

The drop has led to what a businessman called "draconian measures", but these cutbacks are unlikely to have immediate impact. One oil executive said the first thing he noticed about the new mood of retrenchment was when free coffee and tea in offices was stopped.

Although Abu Dhabi is still going ahead with major infrastructural works, such as underpasses, Dubai has completed most of its building and the

construction industry is on the wane.

Other cutbacks can be seen in education, where 370 teachers from other Arab countries were told they were no longer needed. School textbooks and meals are no longer free, the uniform allowance has been abolished and there have been reductions for non-nationals studying abroad on state scholarships.

But these measures will be marginal in reducing the 5.5bn dirham deficit (£1bn) and more significant savings may be made as expatriate workers leave.

The end of labour-intensive construction projects and a proposed reduction by 20 per cent of the number of civil servants, combined with much tighter visa regulations, (these require visitors to go abroad for six months if they change jobs) is leading to an exodus.

Although no official figures are available, travel agencies and embassies report more

people leaving, especially those from the sub-continent. Scotpac International, a removals firm, was quoted as saying that it was moving 140 British families out of the UAE each month, an increase of 30 per cent over 1982.

Many of those leaving are professionals, and the government is known to be in something of a quandary as to how to enable skilled people to stay without appearing discriminatory.

The net effect to the UAE will mean a drop in demand for goods and services, and, as is already becoming apparent, a fall in the high rents for residential and commercial property. Rents, which can be as much as £16,000 a year in advance for a moderate-sized flat, are already dropping and some observers feel they will fall 30 per cent through next year. Because many locals' income derives from rents this too will have a knock-on effect in the economy.

The exodus of expatriates

The exodus of expatriates is generally being welcomed by the government making their policy of "arabization" easier to implement. The Ministry of Agriculture, for example, which has an estimated 20,000 foreigners working in its sector, is planning to reduce their number by half.

Other proposed regulations would also hasten the departure of expatriates. One plan would be for UAE nationals to occupy 20 per cent of private company posts, as opposed to their current level of about 5 per cent.

Another means of curtailing expenses, in what a diplomat described as a "Heath Robinson measure", has been delaying payments. Several claims have been filed in courts in Abu Dhabi and Dubai and local contractors are reportedly owed up to 15m dirhams by some federal ministries.

But the mood is none the less not filled with gloom. Businessmen repeatedly claim that the "slow down" is relative to rapid developments in what is per capita the richest country in the world.

"You expect a few ups and downs," one commented. "At the moment we're on a down but that doesn't mean good won't come from it. The Emirates are just a tougher market these days, but there's still a lot of cash around and for the right companies there are still big contracts."

John Witherow



The UAE has enough oil to last another 70 years. But the recent downturn in the market has driven the government to speed up its diversification plans.

KCB Understands

We really understand our customers — our in-depth knowledge of the local and international markets is combined with a highly innovative approach to make banking work for you.

Fast paced, up-to-date, personalised and efficient — that's Khalij Commercial Bank.

Why not put our edge to your advantage?

بنك الخليج التجاري المحدود
KHALIJ COMMERCIAL BANK LTD.

HEAD OFFICE: P.O. BOX 2629, ABU DHABI, U.A.E.
TELEPHONE: 354361, TELEFAX: 32299 KJALIM EM.

LONDON REPRESENTATIVE OFFICE
St. Alphege House 18th Floor 3 Park Street
London E22 7 JDA, U.K. TELEPHONE: 447 4377

كنا من الأصل

The search...
The search...
The search...

BAN...
Waiting paper...

Central Bank in Abu...
The British Bank of the...
Other proposed regulations...
Another means of curtailing...
But the mood is none the less...
"You expect a few ups and...
John Witherow

OIL AND GAS

The search goes on despite cutbacks



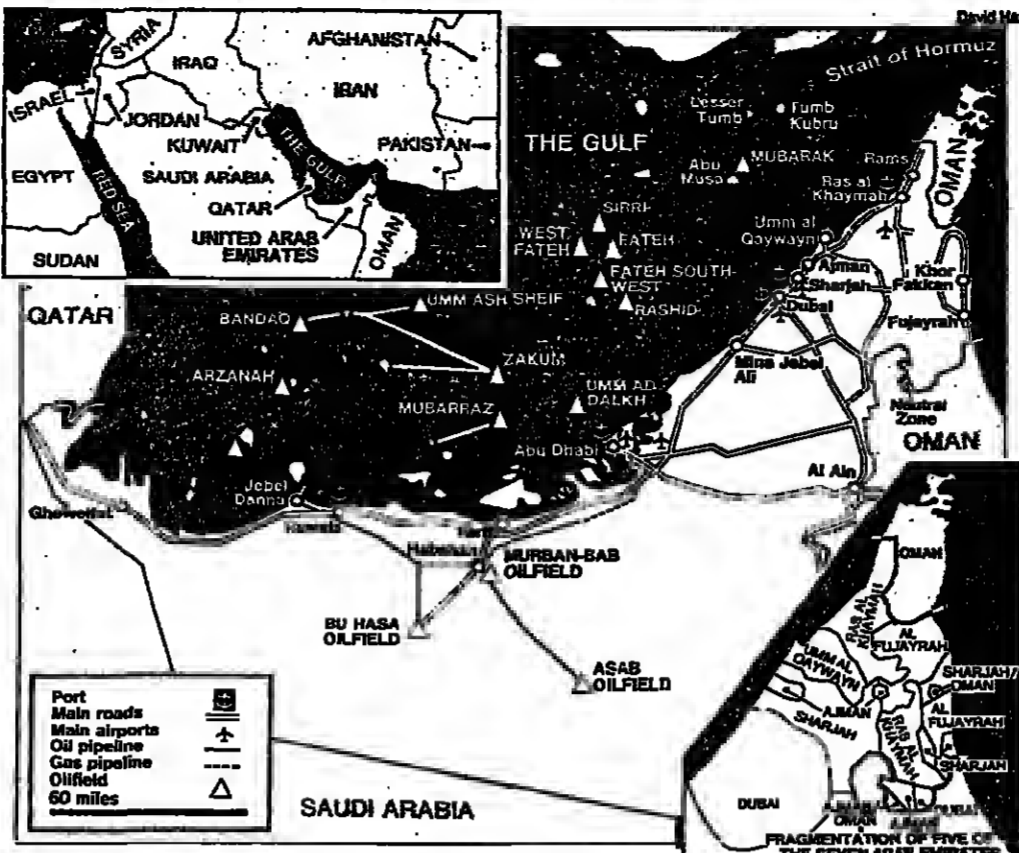
The search for oil in the UAE still goes on despite production cuts. Abu Dhabi, which produces most oil, is as busy as other emirates although drilling programmes have been cut. Elsewhere, especially in Ajman and Ras al-Khaimah, oil wealth is seen as an alternative to the federal funds on which they are so dependent. Oil reserves are estimated at 32.4 billion barrels and gas reserves at \$10 billion cu ft. Production has been set by Opec at 1,100,000 barrels a day. Total production for 1982 was 462m barrels.

The Abu Dhabi National Oil Company (ADNOC) hopes to raise production capacity to 2,200,000 b/d by the mid-1980s. Both major operating companies, Abu Dhabi Company for Onshore Operations (ADCO) and Abu Dhabi Marine Operating Company (ADMA-OPCO) - each owned 60 per cent by ADNOC and 40 per cent by foreign oil interests - have large exploration budgets. ADCO's for \$3.3 bn. between 1981 and 1985. ADMA's for \$3 bn from 1981 to 1983.

met by gas from the condensate field at Uweinat. The commissioning of the Bunduq field later this year could put more gas into the system but it is an unattractive crude in today's market and production will not be sufficient. Several marginal ventures - Satrah (on stream this year at 15,000 b/d), Umm al-Dalkh scheduled to produce 16,000 b/d by 1986), as well as Upper Zakum - have been partly financed by the Japanese to ensure future access to Abu Dhabi oil and gas. Most of ADNOC's oil goes to Japan. ADGAS raised a \$500m loan this summer to finance seven expensive new gas storage tanks.

Onshore, downstream plans for Ruwais industrial area have mainly been put on the shelf through the fertilizer plant jointly owned by ADNOC (66% per cent) and CFP (33% per cent) will begin production next year. Non-associated gas developed by ADNOC in the Thamama C formation overlaying the Bah field will start flowing in April 1984.

Production cuts, technicalities of recovery programmes, equity liftings - both ADNOC's and foreign shareholders' - play their part in jolting the uneasy relationship between ADNOC and foreign participants. But on the whole Abu Dhabi has a good history of compromise, despite often disparate interests.



Port Main roads Main airports Oil pipeline Gas pipeline Oilfield 60 miles SAUDI ARABIA

Trained and ready to fight

continued from page 1 is located. Ironically enough the Ministry of Defence still remains in Dubai where one of the ruler's sons, Mohammad Bin-Rashid al-Maktoum, is the minister. Such curious anomalies do not necessarily prevent the Emirates having an adequate defence force and the commitment is certainly there. The federation is thought to spend more per capita on defence than any other country.

But the remainder come from all over the world: 32 nationalities are said to be represented in the UAE's forces. While Oman are there in large numbers, the higher wages have also attracted Pakistanis and Sudanese officers who have accepted a lower rank in exchange for a larger pay packet. The acquisition of arms benefited from a reorganisation within the procurement section. According to one source, more long-term decisions are being taken and less money and equipment is being wasted. The federation's air force has benefited from government spending. Abu Dhabi has ordered 16 British-built Hawk aircraft, which were designed as trainers but can be effective ground attack planes. Sixteen French Mirage 2000 advanced fighters have also been acquired and are due for delivery next year.

BANKING

Waiting for the paper tiger

"No change and not expanding," is one banker's view of the banking scene. "Too many of us chasing too little business," said another. Both welcome the breathing space caused by the downturn of the economy - as long as it doesn't last too long. Dubai, for instance, has had its share of scandals this year but the revival of the re-export trade to Iran, now at about 30 per cent of its former flow, has restored confidence. There are 31 banks competing for business in the United Arab Emirates.

\$500m ADGAS loan, but overseas expansion - with branches now in Washington, Singapore and Tokyo - has yet to show results. Other local banks include the reconstituted Banque de Crédit Commercial des Emirates, virtually a family bank for the Al-Nahayan family, and its holding company, Banque de Crédit Commercial International, registered in Luxembourg. BCCE has taken over the branch network of the international bank thereby meeting the Central Bank ruling on foreign bank branches. BCCE is managing the affairs of the Khalef Commercial Bank and renegotiating some of its loans.

Meanwhile, the Central Bank has been trying to bring order to the scene. Some directives have been aimed at foreign banks and as many at local banks, many of whose credit lines have been over-extended. Foreign banks were already obliged to limit the numbers of their branches to eight by the end of this year, the British Bank of the Middle East, most affected by the ruling, will close the last of its surplus by the end of this year. Abu Dhabi has also applied a 20 per cent tax on foreign bank profits, bringing them in line with Dubai and formalizing earlier agreements.

Abu Dhabi's surplus funds, after 20 per cent has gone to the ruler and half the remainder to the federal budget, are handed over to the Abu Dhabi Investment Authority (ADIA) which owns 60 per cent of NBAD. ADIA likes a low profile, symbolized by its undistinguished character after it moves, probably in 1985, into a sparkling new block on the Corniche. It resembles Kuwait's Reserve for Future Generations, going for capital growth (mainly from equities at the moment) rather than income, but unlike Kuwait, Abu Dhabi will continue to depend primarily on oil for revenue. ADIA is also a partner, as the government's investment arm, in such Gulf joint ventures as the Arab Banking Corporation.

Harder times are testing the stamina of smaller banks, usually family-owned so that mergers are more difficult. There have been suggestions that some might merge with foreign banks, giving the latter a local character in keeping with the trend towards more local participation. Many local banks were set up to finance their directors' projects, but loans to directors are now limited to 5 per cent of paid-up capital. The Central Bank has also established a ratio between funds and assets of commercial banks at around 6 per cent which compares favourably with the international average of about 4 per cent. Several banks have recently increased their paid-up capital which the Central Bank regards as a key to guarding the interests of depositors and to raising confidence in the banking system.

There is as yet no body nor law to impose order on the insurance scene. Legislation which may improve the present dimly low rates is still awaiting approval after more than a year of dithering, mostly because it is a federal law to be applied separately by each emirate and therefore requiring each emirate's approval. There are substantial differences between Abu Dhabi and Dubai in insurance matters. In Abu Dhabi all government business must go through one of the four national insurance companies. There is no such obligation in Dubai. Local partners may present another problem. Capitalization is still in doubt, with a possible insistence on capital of 10m dirhams. Such a sum, given the state of business in the emirates, would have most foreign insurance companies packing their bags.

The National Bank of Abu Dhabi dominates the scene there and laps up some 27 per cent of the market. It has been active in lead managing bond issues and this year led the huge

Your best business connections in the Middle East.

Advertisement for Gulf Air featuring logos for various cities: AMMAN, KUWAIT, MUSCAT, SALALAH, DOHA, ABU DHABI, DUBAI, SHARJAH, RAS AL KHAIMAH, JEDDAH, BAHRAIN, DHAHRAN. Includes text: 'At Gulf Air we don't only aim to serve you better in the air. We serve you better on the ground too. With a string of offices throughout the Gulf States and the Middle East. And more people to help you. People like Ali Murtaza in Bahrain, Hassan Al Mulla in Doha, George Hawa in Dubai, Marshalla Moh'd in Abu Dhabi, Ali Khaliq Ibrahim in Muscat, Wafic Tamim in Dhahran and Abdulla Alawi in Kuwait - top flight airline professionals, each backed by a team of highly trained and experienced staff. You can count on them to help sort out the busiest schedule for you. Whether it's flying to one or more of the 10 centres we serve in the Gulf, or on to one of the 16 destinations we serve internationally. Gulf Air. Probably the best business connections in the Middle East. And remember, as well as flying Gulf, you can stay Gulf. At our luxurious hotels in Bahrain, Doha and Muscat. For more information contact your travel agent or Gulf Air, 73 Piccadilly, London W1V 9HF. Telephone: London 01-409 1951. Manchester 061-832 9677/8. Birmingham 021-632 5931. Glasgow 041-248 6381. Or key Prestel 223913.'

ABU DHABI AMMAN ATHENS BAHRAIN BANCOLOMBI BEIRUT BOMBAY CAIRO COLOMBO DEHR DHAHRAN DOHA DUBAI HONG KONG JEDDAH KARACHI KUWAIT LAHORE LONDON MANILA MUSCAT PARIS RAS AL KHAIMAH SALALAH SHARJAH TUNIS

THE TIMES

FINANCE AND INDUSTRY

Executive Editor Kenneth Fleet

Exchange rate instability could be here to stay

Mr Christopher "Kit" McMahon, deputy governor of the Bank of England, had some gloomy things to say yesterday on the present system of floating exchange rates when he addressed the International Herald Tribune annual conference in London.

Wild swings in currencies over the past decade may have permanently set back the world economy and slowed the recovery, he argued. Nor could he see much prospect of greater stability in the future, a prediction where he would seem to part company from his more optimistic Treasury colleagues.

It has been the conventional wisdom in and around the central banking circuit that convergence of national economies on low inflation would provide the basis for more stable currencies. Not necessarily so, claimed the deputy governor, quoting from experience.

Exchange rates showed a persistent tendency to overshoot. "It is hard to believe that exchange rates have now settled into a more stable configuration... We must therefore face the possibility that unless something is done about it, we may have to look forward to another 10 years as volatile as the past decade."

The implications for the world economy of continuing currency instability would be serious, Mr McMahon, in one of the clearest expositions to date of the economic effects, indicted exchange rate misalignments on three counts.

It reduced investment worldwide by increasing uncertainty and squeezing profits in countries with overvalued currencies. "The result may be a failure of capital formation to respond to the usual extent to the current recovery in consumer demand in the world as a whole."

It rocketed up inflation because workers took real wage gains when exchange rates rose, but resisted lower living standards when exchange rates fell.

Most harmful of all, in Mr McMahon's view, it increased pressure for protection in countries at a competitive disadvantage, which was not reversed when circumstances improve.

"I believe that the substantial and enduring exchange rate swings of recent years are likely to have played a significant part in hampering economic performance and impairing the strength of the present recovery."

The answer, according to Mr McMahon, is a firm guiding hand from the authorities, through intervention and through fiscal and money policies, which make it clear to markets that governments care about what happens to their exchange rates.

Although rejecting a return to fixed

rates or a new Bretton Woods conference, he had some complimentary remarks on the European Monetary System.

On Monday, in the House of Lords, Lord Cockfield, Chancellor of the Duchy of Lancaster, delivered the official government view that the time for us to join "is not yet right."

The bottom line is what happens to the dollar, the lynchpin of the international financial system. If all countries paid heed to their exchange rates, Mr McMahon suggested in a thinly veiled reference to the United States, "we could begin to edge towards slightly greater stability worldwide." That would be better than nothing.

Questions over the Bank

In a judgment which carries intriguing implications relating to the power and authority of the Bank of England, the Treasury announced yesterday that the Chancellor of the Exchequer had confirmed the Bank of England's decision to take away the deposit-taking licence of St Martin-le-Grand Securities, a small licensed deposit-taker.

Significantly, however, the appeals body which heard the case rejected all but one of the objections which the Bank of England had raised to justify its removal of licence.

This is the first time that the appeals procedure under the 1979 Banking Act has been fully tested. In past cases, banks or deposit-takers which have begun appeals have later withdrawn them.

St Martin-le-Grand, a specialist merchant bank, lost its licence on the grounds that it failed to comply with the requirement that at least two individuals should effectively direct the business of a deposit-taking institution.

The Bank's other objections beyond this, are a mystery. But the appeals committee said in its full report: "Having weighed all the reasons set out by the Bank of England, we do not accede to its view that on any of these grounds the managing director is not a fit and proper person for the purposes of the Act."

It was also stressed that the committee found nothing which reflected on "the good name of the directors, managers and shareholders of the appellant."

The case is a peculiar one. There is no suggestion that the Bank wants to petition for the winding up of the operation.

It is clear, however, that the speed of the appeals procedure under the Banking Act leaves something to be desired since it was nearly a year ago the Bank decided it wanted to revoke the licence.

Enter plastic money

Within the next few weeks an announcement should be forthcoming from the banks on electronic funds transfer at the point of sale (EFT/POS). This is the name bankers give to what could prove the most important development in retail banking since the cheque clearing system. For the layman it means paying at shop counters and petrol station forecourts with a plastic card via an electronic network which automatically debits his or her bank account.

The latest thinking favours dividing ownership and voting control of a new limited company, which would operate EFT/POS, among all the banking members of the English and Scottish clearing

system. This is a marked improvement on earlier proposals which would have left control firmly in the hands of the big four banks.

More sensitive is the question of access to the system.

However, the banks are conscious that the issues of access is emotive and politically sensitive. Both the Bank of England and Office of Fair trading are taking a deep interest. They have accepted that there should not be any technical or price barriers to entry. The latest idea is to give direct access, and other opportunities to part through agency agreements with participating banks.

Lack of state aid 'will cause 10,000 job losses on Airbus'

By Edward Townsend Industrial Correspondent

The Prime Minister will be told forcibly today that failure by the Government to provide £400m of refundable launch aid for the proposed European Airbus A320 aircraft project could cause at least 10,000-20,000 job losses.

Sir Austin Pearce, chairman of British Aerospace, said yesterday that the Government would face a resulting annual unemployment bill of £30m to £50m, plus redundancy costs for the corporation of £80m-£100m.

These are the figures Mr Austin will present to Mrs Thatcher when he puts forward the British Aerospace case for the continuing British involvement of 20 per cent in the European Airbus Industries consortium.

British Caledonian has already ordered the A320, due to



Sir Austin Pearce: "Opting out would give US a monopoly".

be launched in the late 1980s, but British Airways has not. The French Government has promised support for the project, but the British and West German governments have held back.

Sir Austin, speaking at a

Aerospace brought in about three-quarters of what it sold, for every corporation job that went at least three others would disappear.

It would probably be more than that "because for many of the supplying companies the UK production is their base load, on to which they add exports. Without that base load there are no exports and no company".

He said that failure by the Government to provide launch aid for the Airbus could mean British Aerospace going out of this type of business. "Probably the most serious aspect of opting out is that it could give the American companies a monopoly, and US companies are rarely generous to their overseas customers when competition has been eliminated. This would be a price the UK would have to pay."

Royal falls 19p on same again profit

By Andrew Cornclies

Royal Insurance, one of Britain's largest composite insurers, yesterday sent a shiver through the already nervous insurance sector by producing third-quarter results which were well below City expectations.

Pretax profits of £63.2m for the nine months to September 30 against £62.4m at the same stage last year and City expectation of £80m to £85m sent the shares tumbling 19p to close at 496p. Other leading insurers, which had been helped recently by the competing bids for Eagle Star Holdings, fell in sympathy, with Commercial Union Assurance down 2p at 185p and General Accident down 5p at 443p.

Mr John Howard, chief general manager at Royal, said that although there were a number of special factors affecting the third-quarter results there was a particularly unsatisfactory performance in the US. Underwriting losses at the nine-month stage increased from £78.9m at the comparable stage last year to £117.5m this year.

Hurricane Alicia which hit Texas during the third-quarter cost Royal £5.1m, while last year's good results of workers' compensation, business deteriorated as competition intensified.

Royal is taking tough action to correct the underwriting performance and has imposed premium rate increases of up to 16 per cent this year on some lines of business.

In the UK the underwriting losses at the nine-month stage were better at £20.4m, com-

Costain bid to save Streeters

By Jonathan Clare

The Costain Group yesterday launched a rescue bid for Streeters of Godalming after Streeters' bankers declined to increase its overdraft in the face of uncertainty over guarantees in Saudi Arabia.

The directors have accepted a 20p-a-share bid valuing the company at just £1.5m "as the only way of ensuring that the company continues to trade".

Streeters' accounts have been qualified in previous years because of a legal tangle over work in Saudi Arabia and need for support by its bankers until arbitration was over.

Streeters' shares were suspended at 37p last month during bid talks; the listing was restored yesterday with a price of 23p. The Costain Group already has a 22.5 per cent interest in Streeters and has previously cooperated with it on main drainage projects.

It said yesterday that its interest in bidding was to retain Streeters' specialist skills which were complementary to Costain.

Streeters has a contingent liability of 7.2m Saudi Riyals (£1.4m) concerning a loan to its former Saudi associate. Interest on this loan is continuing to accrue and with it the contingent liability is increasing.

The former associate has been unable to procure a discharge of the loan and a cheque for 7.4m Saudi Riyals as security for the obligation has been dishonoured.

Streeters' lawyers in Saudi Arabia say the claim will be upheld in the courts.

Stenhouse faces bid by subsidiary

By Our Financial Staff

The insurance broker, Stenhouse Holdings, of Glasgow, was yesterday placed in the embarrassing position of contesting a merger attempt by its 49 per cent owned Canadian subsidiary, Reed Stenhouse.

The takeover tussle erupted after the breakdown last Friday of friendly discussions between the two companies with the aim of agreeing merger terms acceptable to both sets of shareholders.

Reed Stenhouse, which is quoted on the Toronto and Vancouver exchanges, is offering one Reed Stenhouse ordinary share and 20p cash for every five Stenhouse Holdings shares. This puts a value on Stenhouse Holdings shares of 140.2p each, and a price of £53.2m on the group.

After a brief suspension, Stenhouse Holdings shares rose by 21p to 128p.

Mr Paul Stenhouse, a director of Stenhouse Holdings, and head of Stenhouse Western, whose family controls 31 per cent of the Stenhouse Holdings equity, said that the takeover terms fell short by quite a margin of the price which would be considered acceptable.

Although he had been a prime mover in wanting a merger, he would not allow the small shareholders in the company to be forced to sell out at the offer price. He said that the 140p per share offer compared with a net asset value of 160p per share.

Mr Stenhouse said that, in effect, the offer meant that the Canadians would get for nothing Stenhouse Holdings' 60 per cent stake in Stenhouse Syndicates, the Lloyd's broking firm; and a 20 per cent stake in Noble Grossart, the merchant bank.

Mr Stenhouse said that he also contested Reed Stenhouse's view, in its offer document, that the majority of the Stenhouse Holdings board would accept the takeover terms.

Last night, it was clear that at least three of the seven-man board would oppose the offer.

Continental Corporation, the US insurance corporation, which holds a 21 per cent stake in Stenhouse Holdings, indicated that it would accept the offer terms.

Listing as Henara group shines

By Our Financial Staff

An East Ender who left school at 14 is to float his private company, which makes the Henara range of shampoos for Boots, J Sainsbury and Superdrug, on the stockmarket.

The flotation will include an offer for Dixon-Strand, the publicly quoted company which has its shares suspended during talks, but is already 80 per cent owned by the same entrepreneur, Mr Sidney Lerner.

Mr Lerner's private company - Henna Hair Health - has successfully pushed its products through the big chains with almost no advertising. He moved in to Dixon-Strand, which makes various cosmetic products, three years ago when his losses were running at £363,000. He has turned it round to profits of £250,000.

A new company will embrace both Henna Hair Health and Dixon-Strand and is likely to have a market capital of between £10m and £12m.

The minority shareholders will be offered shares in the new company, which will be called Henara.

NEWS IN BRIEF

Toshiba to make VTRs in Britain

Toshiba Corporation will start producing video tape recorders in Britain next April at its Plymouth subsidiary Toshiba Consumer Products (UK). The recorders will be marketed in Britain and other European countries in May.

Prices opened lower in active trading on Wall Street yesterday. The Dow Jones Industrial Average was down 2.03 to 1,252.03 shortly after opening. Declines led advances 529 to 353.

US industrial production in October was up 0.8 per cent after a revised September gain of 1.3 per cent.

Mr Sidney Cordier, a director of Microfilm Reprographics, has paid £1 to buy an option on 180,000 shares in the company at 40p each. That is a 45 per cent discount on last night's closing price.

The Severn Valley Railway, which came under private control in the early sixties, has announced a share issue to raise up to £300,000 to extend its existing line by 4½ miles and build a new railway terminus in Kidderminster, Worcestershire.

Mr Richard Wakeling, aged 37, group treasurer at BOC Group, becomes finance director at John Brown, the engineering group, on December 12.

European Community Industry Commissioner M. Etienne Davignon will seek agreement on export levels of video tape recorders and some other sensitive products to the Community next year, when he meets Japanese International Trade and Industry Minister Sosuke Uno today in Tokyo.

Dawn raid nets 14.9% of West's

By Philip Robinson

Mr Ron Shuck's Espley-Tyas Property Group yesterday spent £1m in the stock market buying a 14.9 per cent share in West's Group International, the civil, structural and process engineers.

Espley announced it was a buyer at 10.30am and within about 15 minutes had paid 100p a share for the stake, the maximum allowed under rules governing the substantial acquisition of shares.

Mr Alan Fendleton, West's managing director, said last night: "The first we knew was when our brokers phoned us this morning. We are flattered that they think we are such a good company."

Mr Fendleton said that the "dawn raid" had failed to attract the company's three largest shareholders, Imperial Group Pension Fund, M & G and Hill Samuel.

In the year to the end of last March, West's profits plunged from £1.1m to £369,000, partly because of losses in its process engineering. The group has tackled the problem and at the end of last year a major property sale reduced borrowings from £4.7m to £1.8m, bringing gearing down to 15 per cent. The last balance sheet showed £5m of cash and net assets per share of 152p.

In the stock market last night West's shares closed up 16p at a new record for this year of 108p, capitalizing the company at £8.2m.

Espley-Tyas shares were unchanged last night at 79p. Mr Shuck said: "I shall request a meeting with West's tomorrow. I do not want to say any more at the moment."

Banks pledge over \$5bn in loans to Brazil

New York (Reuters) International banks have committed more than \$5 billion to a planned \$6.5 billion loan to Brazil, Mr William Rhodes, chairman of the 14-bank advisory committee, said.

Mr Rhodes, a Citibank senior vice-president, said telexes containing undertakings from Brazil's some 830 creditor banks were continuing to come in.

The committee was due to report yesterday on the loan's progress to M Jacques de Larosiere, managing director of

Trust takeover vote blow to Lord Kissin

Guinness Peat chief wins

By Peter Wilson-Smith, Banking Correspondent

Guinness Peat shareholders yesterday voted in favour of the board's proposal to strengthen the group's capital base by taking over the Moorside Trust.

In a surprisingly close poll, 4,009 shareholders controlling 45.09 per cent of the capital voted in favour while 126 shareholders controlling 36.56 per cent voted against.

The outcome is a victory for Mr Alastair Morton, chief executive and merchant banker Morgan Grenfell, who have let no stone unturned in a campaign to dilute the shareholding of Lord Kissin, founder and life president who with other leading shareholders, had objected to the terms of the Moorside deal. Morgan Grenfell's fees are believed to be in the region of £1m.

Yesterday the Moorside acquisition was declared unconditional after shareholders in

the International Monetary Fund

the International Monetary Fund M de Larosiere is satisfied that enough money has been committed to the loan, he is expected to recommend to the IMF executive board on Friday that it approves Brazil's economic programme which has been worked out with IMF staff.

The board's endorsement would unlock previously suspended loans both from the IMF and the banks and would allow it to begin catching up on some \$3m of arrears that have built up on its over \$90 billion debt.

the investment trust also approved the deal.

At a lively extraordinary meeting punctuated by about a dozen questions, Lord Croom, chairman of Guinness Peat, defended the terms of the acquisition, claiming that the board was advised that a second rights issue this year would not be well received and it was clear that a further recapitalization of the group was needed.

A spokesman for Cofi, a European investment company controlling 8.23 per cent which voted against, said the underwriting price of 40p for Guinness Peat shares was too low in relation to its real value and the dilution caused by the deal was "so great as to be punitive to existing members."

Cofi also said it would have supported a rights issue as did Mr Robert Kissin, Lord Kissin's son and director of the group who dissented from the rest of the board.

Mr Kissin said parties he represented would support a £20m rights issue "at or near 50p" if the board should unanimously recommend this.

Mr Morton countered by saying Mr Kissin had voted in favour of an investment trust acquisition at a September 15 board meeting, and added: "I don't believe it."

The Moorside deal, equivalent to a one-for-three rights issue, involves Guinness Peat issuing shares for the investment trust which it then plans to liquidate. The proceeds will be used to help pay off borrowings and finance the group.

Lord Croom said the group was now poised to expand provided it had the necessary capital structure. The prospects for increasing dividends would also be helped by the merger.

All these Notes have been sold. This announcement appears as a matter of record only.

Newscorp Securities Limited
(Incorporated with limited liability in the Australian Capital Territory)

A \$30,000,000 14 per cent Guaranteed Notes 1988

Unconditionally guaranteed as to payment of principal and interest by

The News Corporation Limited
(Incorporated with limited liability in the State of South Australia)

Issue Price 100 per cent

Interest payable annually on 15th November.

Hambros Bank Limited

Amro International Limited **Banque Bruxelles Lambert S.A.**

Banque Internationale à Luxembourg S.A. **Commerzbank Aktiengesellschaft**

Crédit Commercial de France **Samuel Montagu & Co. Limited**

Morgan Stanley International **The Nikko Securities Co., (Europe) Ltd.**

Wood Gundy Limited

November, 1983

Tim Congdon on alternatives to the PSBR

The least vital part of the economic statement due to be made tomorrow by the Chancellor, Mr Nigel Lawson, has already been leaked. It is the Treasury's forecast for 1984. The Treasury expects a 3 per cent rise in output accompanied by inflation of below 5 per cent and a slight fall in unemployment. On this basis, after 15 years of highly publicized polemics between monetarists and Keynesians, Britain is about to enjoy an economic performance which is just about mediocre by the standards of the 1950s and 1960s.

Financial strategy needs radical change

But the numbers seem virtually miraculous by the standards of the 1970s and there is a danger the forecast will arouse so much controversy that not enough attention will be paid to the most important element in the statement - the Chancellor's views on the future direction of fiscal policy.

If he follows precedent, Mr Lawson will give the latest official view on the size of the public sector borrowing requirement (PSBR) in the current fiscal year. He will probably indicate a modest overshoot on the £8,200m figure announced in the last Budget.

More interesting than the 1983-1984 PSBR estimate will be his thoughts on 1984-1985 and later years. Although it is very clear that the idea of a medium-term financial strategy is sacrosanct, it is not certain that the latest edition of the strategy, proposed by the former Chancellor, Sir Geoffrey Howe, in March, will be retained. This envisaged a PSBR/GDP ratio of 2 1/2 per cent in 1983-1984, 2 1/2 per cent in 1984-1985 and 2 per cent in 1985-1986, with no hint of a further reduction thereafter.

If the Government is to make progress in fiscal policy it must discard this version of the medium-term strategy. The strategy needs to be radically reformulated because of recent policy developments. It should also, if it is to have the right impact on expectations, be both simplified and made more ambitious by a commitment to a balanced budget.

The policy change which has invalidated the PSBR as a fiscal

target is the vast programme of State asset sales now being planned. Because of the privatization of British Telecom and British Airways the Government should receive about £3,000m from asset sales in 1984-1985 and 1985-1986, compared with figures of £1,500m in 1984-1985 and £500m projected for 1985-1986.

The extra receipts will lead to a reduction in the PSBR, but they are not a permanent addition to revenue and do not in any sense represent a genuine strengthening of public sector finances. It would be quite wrong to use them as a pretext for tax cuts or a relaxation of expenditure control. But that is what the existing version of the medium-term strategy, with its 1985/1986 target of a 2 per cent PSBR-GDP ratio, would allow.

Fortunately, there are readily available alternatives to the PSBR which are unaffected by special transactions such as once-for-all asset sales. One is known as the public sector financial deficit and data relating to it has been compiled for many years. While very heavy asset sales are being undertaken, with all the uncertainties about timing and valuation involved, the financial deficit is a much more sensible focus for fiscal policy.

Perhaps even better than the financial deficit of the public sector as a whole is that of central and local government. The purpose of excluding the public corporations is that they have large investment programmes which, if they were in the private sector, it would be legitimate to cover - at least in part - by borrowing. The

financial deficit of central and local government combined has been termed the general government financial deficit by the organization for Economic Co-operation and Development and, as the accompanying table shows, it is already quite low in Britain compared with other countries.

Whichever budget concept is taken as the centrepiece of fiscal policy, wrangling between the Treasury and spending departments will continue. But it does seem clear that PSBR target should, in current circumstances, be given less prominence than a financial deficit target. Were asset sales to dwindle or come to an end after 1985-1986 the PSBR could be reinstated to its traditional pre-eminence if the Government wished.

There is a drawback to having several fiscal targets simultaneously. Macro-economic policy is already littered with too many concepts, definitions and terms. Although this state of affairs is ideal for the pundits and technicians who benefit from the increased demand for their analytical services, it does not improve understanding of the Government's objectives.

The main function of the medium-term financial strategy is to warn wage bargainists that government policy will not accommodate inflationary pressures. What is required is that the Chancellor select one of the various concepts and call it, with no more fuss, the budget deficit. He should also say that he will eliminate it completely within two or three years and pursue a balanced budget thereafter.

The very simplicity of the balanced budget proposal is its main virtue. People would recognize in broad terms, what the Government was about and respect it for what it was trying to do.

The central intention of Mr Lawson's Mansion House speech was to alter inflation expectations by stating policy stability as a policy goal. It was, in this respect, far more effective than most previous ministerial statements under the Thatcher Government.

In the November economic statement Mr Lawson should follow that success by preparing the ground for a return to a balanced budget. The impact of the announcement will be strengthened if the Chancellor lays down a well-defined timetable.

The author is economics partner of stockbroker, L. Messel & Co.



The drive to cut public spending has fallen most heavily on capital projects, which are easiest to cut. Everyone agrees this is the wrong way round.

As a result, the proportion of public investment in the national income appears to have plunged.

Can something be done to alter these priorities without simply running into the problems of more public spending and borrowing?

This question may not be at the top of

MacGregor calls for change of direction

Mr Ian MacGregor, chairman of the National Coal Board, told the debate that if the slow decline of the country was to be arrested, we would need a symbolic change of direction.

Before the year, Cunard raised £9m to complete the Queen Mary on Clydeside, and that decision was "totally electrifying" in changing Scotland's mood of depression. "We really need something like that today," he said.

"The government has got the money to do this without borrowing or without raising inflation or both. Therefore it would seem to me that in this country there must be enough brain power to stimulate the economy without changing the rules of inflation. The correct procedure is to pick out some infrastructure projects that are self-financing."

"This was not a new idea, he said. Mr Robert Moses, the architect of the infrastructure round New York, had completed the project without state finance. It was a magnificent piece of financial engineering."

"In the City of London, the financial centre of the world, it should not be beyond the ingenuity of people to harness capital on a similar basis." He believed there were enough examples of self-financing projects around. "We should harness the people and the financial resources that Moses did in the 1930s to help to relieve the tragedy of that time," he said.

Earlier, Mr MacGregor said that the inflation of the 1970s had had more impact on Britain

The debate on public investment and economic recovery

It's time to rebuild Britain

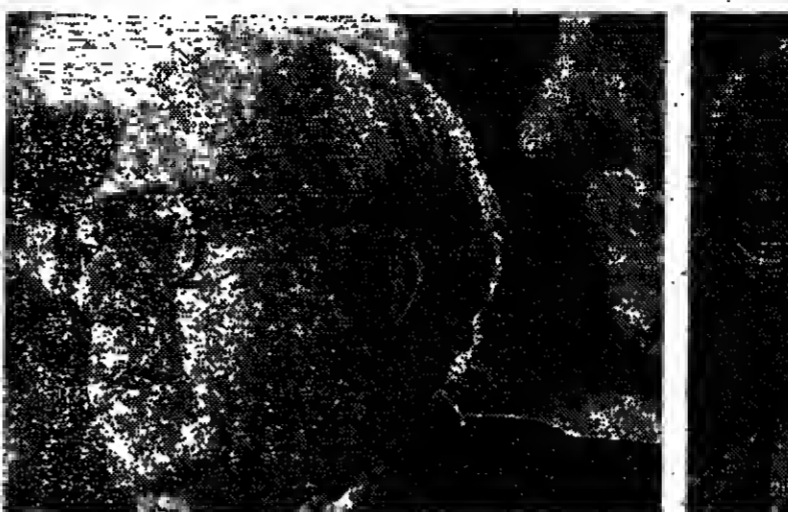
political priorities, but its urgency was demonstrated dramatically yesterday at a debate on public investment and economic recovery sponsored jointly by The Times and Coopers & Lybrand, the accountants.

An astonishing array of chairmen and chief executives of banks, industrial companies and construction groups came to debate the issues with academics and professionals.

Professor Christopher Foster of Coopers & Lybrand Associates set the

scene in yesterday's Times arguing that public investment is the missing ingredient in the comparison of the present depression with that of the thirties. Then, at this stage of the cycle, growth picked up instead of slowing down thanks to a big rise in public investment in everything from basic infrastructure to housing.

Would a programme of public works cut unemployment and boost growth or merely lead to more waste? Here is a summary of the debate.



Ian MacGregor (left) and Peter Rees: accord on inflation

than on any other country. Between 1975 and 1980 increases in unit labour costs were 35 per cent in the United States, 15 per cent in West Germany but costs fell by 1 per cent to Japan.

Britain increased was 78 per cent. "That tells the story, we lost a lot of ground," he said.

Investment must not hit money, says Rees

The Government will out finance any public investment programme that threatens to jeopardize its policy of establishing sound money, Mr Peter Rees, Chief Secretary to the Treasury, made clear.

In his contribution to the conference, Mr Rees said that the government regarded privatization as the best means of solving the dilemma posed by alleged shortfall in public

investment. Privatization transferred investment decisions from the public to the private sector, where there were penalties for failure, and rewards for success.

Privatization was also the solution which produced the most efficient allocation of resources for investment in the economy as a whole, and did so at the lowest level of interest rates consistent with the government's objectives for inflation.

Mr Rees acknowledged that capital spending in the public sector had fallen as a percentage of gross domestic product in recent years. Between 1973 and 1974 and 1982 and 1983, public sector capital expenditure had risen in cash terms from £6.4 billion to £11.1 billion. This was equivalent to a reduction in cost terms of about 50 per cent.

This needed to be put in context. The decline had occurred during a period of severe shocks to the world economy, resulting in a rapid surge in inflation and two recessionary troughs in economic activity. Over the same period, private sector investment in Britain had

also declined in relation to, although much the larger fall had occurred in the public sector.

Mr Rees said it was important to be aware that public sector capital spending meant something different to capital spending in the private sector. United Nations convention had established, for example, that a tanker built for BP counted as capital expenditure, but that an identical tanker built for the Royal Navy counted as current expenditure.

Privatization and other asset sales had also reduced the published figures for public sector capital spending. Sales of council houses, for example, had reduced the overall capital spending figure last year by more than £2 billion.

Published figures also excluded capital spending by the nationalized industries where it was financed from the industry's own resources. In fact, nationalized industry investment has increased by 43 per cent since 1975-1980, which meant it had been maintained in real terms. This year, the industries' investment would

increase by 12 per cent, an increase in real terms. It was also important, Mr Rees said, to distinguish between different kinds of public sector investment. Power stations had been built, for example, but not nuclear oil rig facilities had been constructed which never built any oil rigs.

Given the lamentable outcome of so many plausible investment proposals over the years, he said, the government was right to examine any new plans "with healthy scepticism".

Extra capital spending could only be financed by government via higher taxation, savings on current spending, or by higher borrowing. Higher taxation was unacceptable to the government. Reducing the current expenditure was superficially attractive, and the government had made great strides, for example in reducing civil service options, but there were no easy options in education, health, social security, defence, and so on.

It was by no means clear that spending on hospital building was always a better use of money than spending directly on staff and services, and capital spending tended to lead to higher current spending in later years as well.

Table: General government financial deficit as % of gnp - gdp. Columns for years 1979, 1980, 1981, 1982, 1983, 1984. Rows for USA, Japan, Germany, France, UK, Italy, Canada.

*Estimates. Source: OECD Economic Outlook July 1983

Table: Authorized Units & Insurance Funds. Multiple columns listing various financial units and insurance funds with their respective values.

Investing will not be jobless... The history of past investment decisions in the public sector was far from reassuring. Power stations had been built, for example, but not nuclear oil rig facilities had been constructed which never built any oil rigs.



Minford higher... The author is economics partner of stockbroker, L. Messel & Co.

كندا من الاصل

The debate on public investment and economic recovery



Borrowing to invest 'will not cut jobs'

"Most people now would agree that there needs to be control of the money supply in order to hold down inflation"

Patrick Minford, Professor of Applied Economics at the University of Liverpool, told the conference.

More disputed is the idea that in order to control the money supply, it is necessary to control the budget deficit which in practice we define as the Public Sector Borrowing Requirement.

The suggestion before us today is that public investment in infrastructure be raised and financed by borrowing (so raising the PSBR) and that this will reduce unemployment, besides giving us productive social capital.

"When the government borrows, it borrows from one group of people on the basis that future general taxpayers will pay them back, it is conceivable that the expenditure for which the government borrows will generate a commercial return or savings on future expenditure sufficient to avoid raising future taxes."

"But expenditure in the public sector is subject to political pressures which make commercial operation extremely difficult, furthermore, even if the project is truly commercial the same pressures will obtain indirectly to divert the revenues generated into additional expenditures in other areas."

"So public expenditure financed by borrowing will require future taxation. To say that the same investment undertaken by the private sector would generate a commercial return is to miss the point, the fact that the taxpayer is guaranteeing the expenditure removes this commercial status."

"The question that confronts the lender asked to buy the government bonds is perennial: will he be cheated? No government likes to raise taxes and it is tempting to default on the bonds. Explicit default carries large penalties, but there is a conventional form of implicit default: inflation by printing money (or 'monetization'), instead of raising taxes."

Professor Ken Groves, chief executive of EuroRoute and director of the Constructional Steel Research and Development Organisation, spoke about the Channel Tunnel.

He said: "The proximity of wealthy European market and the ability to get there more cheaply and quickly are the prime considerations in weighing the case for a Channel link."

"There has been too much talk about whether we need a Channel Tunnel and if so of what dimension or perhaps a bridge if it could be built. There has been too little discussion about why we need a link and what form of traffic it should serve. Only when we are agreed on this can an appropriate civil engineering solution be devised."

He said a growing volume of British exports go to Europe which takes over 50 per cent of our trade. "In 1972, we exported £4,200m worth of goods across the Channel. In 1980 this had risen to £28,900m a sevenfold increase. The increase in trade had caused unutilized freight to grow from 6.5 million tonnes in 1971 to 18 million tonnes in 1980. But the important point was that within the figure, road haulage had increased from 2.7 million to 12.0 million tonnes in a decade."

Three groups of schemes had been submitted to the French and British governments by consortiums interested in participating in their construction. "These are railway tunnels, either single or double track with and without the ability to carry road vehicles on trains. Large road only suspension bridges of spans greater than those ever built before over estuaries, and the EuroRoute bridge and tunnel scheme for road and rail traffic."

"The latter is the most comprehensive scheme, engineered and costed out by Mott Hay and Aarderson with the contractors at between £4.06 billion and £4.40 billion at January, 1983 prices. Construction could start in 1985 and be completed in 1992. There would be four lanes of traffic."

Prof Groves pointed out that although the case for EuroRoute was a commercial one, there were other benefits. One hundred thousand jobs would be created in Europe by building the crossing. About 53,000 of these would be directly related to the construction, the remainder being generated by the multiplier effect of increased spending.

One might assume 50 per cent of the jobs would be in Britain.

Mr Christopher Train, the director general of the Prison Service, spoke about prison building.

He said one might argue the case for prison building on economic grounds, "in terms for example of the role of the capital investment it involves in stimulating economic recovery."

But that he said, was an incidental benefit and not the primary purpose.

Mr Train said: "There are about 120 penal establishments in England and Wales. They do not form a single system but a series of part separate, part overlapping systems."

All the 0 country houses, he said, had accommodation for 150 or fewer, and several of the camps were sub-economic in size. Rationalization here was highly desirable if proper use was to be made of scarce manpower and other resources.

The second important point is our total dependence on the obsolete Victorian estate, not just in terms of housing the majority of inmates - 25,000 out of 43,500 - but also of taking the whole of the current 5,000 excess of population over certified accommodation.

Mr Train continued: Some argue that the real solution to the problem of prison conditions lies in penal policy, rather than capital investment: in other words that action should be taken on the demand, rather than the supply, side.

Talking about the new prison building programme, he said that it would involve additional construction expenditure of about £170m, with the private construction industry doing that work also.

A prison brings considerable economic benefit to the surrounding community. With allowances and the substantial amounts of overtime worked throughout most of the prison service, a basic grade prison officer earns about £10,000 a year. That means that even a medium sized establishment is likely to generate between £60,000 and £70,000 a week of spending power on the part of staff.

It is, I think, axiomatic that so central an aspect of the machinery of the state as the administration of its penal system should not be conducted by a private agency.

"To that extent, it is inevitable that the government has the paramount interest in securing adequate provision of prison places."

Case for Severn Barrage scheme

The principal economic value of the Severn Barrage would be to generate electricity, Dr Tom Shaw, of the Severn Tidal Power Group, told the debate.

Several schemes have been considered over the past 80 years, but in 1981 the Severn Barrage committee concluded that the project was practicable and recommended a detailed scheme similar to the Rance tidal power station project in Brittany, inaugurated 17 years ago.

The Severn Barrage would be equivalent to two large power stations, generating 6 per cent of the present national output. It would diversify power supplies, use a renewable and predictable source of energy and have a very long life.

Construction could take up to 12 years, but the first power might be generated after seven or eight years.

The project would cost an estimated £5.6 billion at December 1980 prices.

The five-firm Severn Tidal Power Group consortium has now started a study to find out if the barrage could be privately financed. The consortium hopes to report to the Department of Energy, which is helping to finance the study, within 12 months.

But, said Dr Shaw, the barrage would have benefits apart from generating electricity. It could also help shipping, industry, commerce, inland communications, tourism and recreation.

Why we need a Channel tunnel

Professor Ken Groves, chief executive of EuroRoute and director of the Constructional Steel Research and Development Organisation, spoke about the Channel Tunnel.

He said: "The proximity of wealthy European market and the ability to get there more cheaply and quickly are the prime considerations in weighing the case for a Channel link."

"There has been too much talk about whether we need a Channel Tunnel and if so of what dimension or perhaps a bridge if it could be built. There has been too little discussion about why we need a link and what form of traffic it should serve. Only when we are agreed on this can an appropriate civil engineering solution be devised."

He said a growing volume of British exports go to Europe which takes over 50 per cent of our trade. "In 1972, we exported £4,200m worth of goods across the Channel. In 1980 this had risen to £28,900m a sevenfold increase. The increase in trade had caused unutilized freight to grow from 6.5 million tonnes in 1971 to 18 million tonnes in 1980. But the important point was that within the figure, road haulage had increased from 2.7 million to 12.0 million tonnes in a decade."

Three groups of schemes had been submitted to the French and British governments by consortiums interested in participating in their construction. "These are railway tunnels, either single or double track with and without the ability to carry road vehicles on trains. Large road only suspension bridges of spans greater than those ever built before over estuaries, and the EuroRoute bridge and tunnel scheme for road and rail traffic."

"The latter is the most comprehensive scheme, engineered and costed out by Mott Hay and Aarderson with the contractors at between £4.06 billion and £4.40 billion at January, 1983 prices. Construction could start in 1985 and be completed in 1992. There would be four lanes of traffic."

Prof Groves pointed out that although the case for EuroRoute was a commercial one, there were other benefits. One hundred thousand jobs would be created in Europe by building the crossing. About 53,000 of these would be directly related to the construction, the remainder being generated by the multiplier effect of increased spending.

One might assume 50 per cent of the jobs would be in Britain.

Mr Christopher Train, the director general of the Prison Service, spoke about prison building.

He said one might argue the case for prison building on economic grounds, "in terms for example of the role of the capital investment it involves in stimulating economic recovery."

But that he said, was an incidental benefit and not the primary purpose.

Mr Train said: "There are about 120 penal establishments in England and Wales. They do not form a single system but a series of part separate, part overlapping systems."

All the 0 country houses, he said, had accommodation for 150 or fewer, and several of the camps were sub-economic in size. Rationalization here was highly desirable if proper use was to be made of scarce manpower and other resources.

The second important point is our total dependence on the obsolete Victorian estate, not just in terms of housing the majority of inmates - 25,000 out of 43,500 - but also of taking the whole of the current 5,000 excess of population over certified accommodation.

Mr Train continued: Some argue that the real solution to the problem of prison conditions lies in penal policy, rather than capital investment: in other words that action should be taken on the demand, rather than the supply, side.

Talking about the new prison building programme, he said that it would involve additional construction expenditure of about £170m, with the private construction industry doing that work also.

A prison brings considerable economic benefit to the surrounding community. With allowances and the substantial amounts of overtime worked throughout most of the prison service, a basic grade prison officer earns about £10,000 a year. That means that even a medium sized establishment is likely to generate between £60,000 and £70,000 a week of spending power on the part of staff.

It is, I think, axiomatic that so central an aspect of the machinery of the state as the administration of its penal system should not be conducted by a private agency.

"To that extent, it is inevitable that the government has the paramount interest in securing adequate provision of prison places."

Call for development agency to take risks

Mr Allen Sykes, a director of Willis Faber, said that dramatic organizational and political changes would have to occur before such projects as a Severn tunnel became feasible.

Given the present political and organizational obstacles it would be years before any project such as the tunnel could get through the planning process by which time it would be years too late to make any contribution to the present recession.

One possible solution would be to set up a new vehicle such as a development agency with extensive powers and the opportunities to take the risks.

Mr E P Beck, chairman of John Mowlem, said that the construction industry had been exploring ways of joint building between the public and private sectors. But it had found Treasury flexibility had been a big obstacle to getting something done.

Mr Willem Buter, Professor of Economics at the London School of Economics, said that "five now, pay later" was not necessarily a recipe for disaster, "as long as you are prepared to pay later". He said that Britain was held back by antiquated Victorian capital equipment.

Mr Andrew Britton, the director of the National Institute of Economic and Social Research, said that any project should be undertaken on its merits, which might not necessarily be monetary.

This kind of scheme needs careful commercial assessment and should be managed and controlled in such a way that there are clear penalties for failure. Unfortunately, the public sector has an unhappy record in identifying, managing and controlling such schemes.

Mr Gough said that the schemes require the cooperative effort of the private sector and Government.

He said that a new institutional framework would be needed, and proposed, the establishment of an institution straddling the public and private sectors, appraising the controlling projects, channelling funds and ensuring that risks were fairly matched by potential reward.

It would be a means of channelling private sector funds and management disciplines to major projects, and ensuring that government backing is adequately rewarded. And it should, as far as possible, remove "the dead hand of general public expenditure restraint and the Public Sector borrowing requirement from much needed capital investment which promises good returns to those who finance it and to the nation as a whole".

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

"However, there is an important intermediate category of projects which presents difficulties for both the public and private sectors. They involve

vast sums of money, they are enmeshed in the complexities of the regulatory and planning framework; and they require long lead times before returns are produced.

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

"However, there is an important intermediate category of projects which presents difficulties for both the public and private sectors. They involve

vast sums of money, they are enmeshed in the complexities of the regulatory and planning framework; and they require long lead times before returns are produced.

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

"However, there is an important intermediate category of projects which presents difficulties for both the public and private sectors. They involve

vast sums of money, they are enmeshed in the complexities of the regulatory and planning framework; and they require long lead times before returns are produced.

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

"However, there is an important intermediate category of projects which presents difficulties for both the public and private sectors. They involve

vast sums of money, they are enmeshed in the complexities of the regulatory and planning framework; and they require long lead times before returns are produced.

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

"However, there is an important intermediate category of projects which presents difficulties for both the public and private sectors. They involve

vast sums of money, they are enmeshed in the complexities of the regulatory and planning framework; and they require long lead times before returns are produced.

Cooperation needed to succeed in new projects

Mr Brandon Gough, senior partner of Coopers and Lybrand, concluding the debate said: "From the projects described today it is possible to distinguish three categories of investment project. There are those, such as prison building, clearly only likely to be suitable for public investment, whatever the theoretically possible role of leaseback schemes may be."

"At the other extreme there are schemes, from which there are clearly identifiable income streams and which should probably be left to the private sector to sink or swim on their financial merits."

Money for roads could help stop city decay

Society faces choices in inner city areas especially London, Mr Terrell Wyatt, chairman of Costain, told the symposium.

Either we provide the traffic arteries, or inner city areas will decay. Transport of goods and

people are as important to a city as a supply of blood to parts of the body. Without it, gangrene sets in, he said.

What was needed in London and elsewhere sound finance which required that soundly-invested taxpayers money to meet the needs of society was not thrown away, as in over-manning in the Government's own services, private sector finance for urban roads where appropriate, and imaginative design solutions, avoiding the damage done in the past by roads like Westway in West London.

The situation in London, with the greatest concentration of population and the greatest need for roads, was a scandal, Mr Wyatt said.

While public transport and traffic management should make the greatest possible contribution, there was still a need for "sensitive and imaginative" new roads, to quote the recent White Paper.

Without these roads, inner city decline would continue, while growth industries were attracted to good communication links like the M4 western corridor, and the M25 orbital motorway, particularly near the intersections.

"The need is for political will", Mr Wyatt said. "Our political institutions and administration are there to serve society. They fail society because the time perspective of a four to five year Parliament is too short."

Royal Insurance advertisement featuring the Royal Coat of Arms, the text 'Royal Insurance Estimated Nine Months Results for 1983', and two tables of financial data comparing 1983 and 1982 results across various insurance categories and regions.

New Young brewery pays off

Young and Co's Brewery Half-year to 30.9.83 Pretax profit £1.6m (£1.2m) Turnover £16.2m (£15.4m) Net interim dividend 2.5p (2p) Share price 280p, up 5p

Like other brewers, Young and Co's Brewery was dismayed that the good summer did not have such an uplifting effect on sales as expected.

But the benefits of the new brewery in south-west London and the new team of young managers helped to increase profits by 30 per cent, despite a 5.9 per cent fall in volume sales.

Young is particularly sensitive to summer weather as many of its customers go abroad for their holidays. Further benefits from the new brewery - the contractors only left two weeks ago - will continue to arise in the second half.

Although Young is famed for its traditional beers, there has been a substantial shift towards higher lager sales. During the first six months, these increased by 8.9 per cent, with every sign of the trend continuing.

A second big contributor to the good results was the changeover to managed pubs in place of tenancies.

HAT Group Half-year to 31.8.83 Pretax profit £3.9m (3.3m) Stated earnings 3.75p (3.54p) Turnover £80m (81.5m) Net interim dividend 1.85p (1.5p) Share price 111p Yield 4.2% Dividend payable 28.2.84

Perhaps the best illustration of City attitudes to the widely diversified HAT Group is that an 18.7 per cent increase in pretax profits caused a 7p fall in the share price to 111p.

That illustration goes some way to explaining the caution that should be exercised over a share that has reached near glamour status levels.

Over the last five years, both turnover and growth have grown dynamically. Turnover has risen from £64m in 1978 to an expected £160m this year and pretax profits from £2.1m to an expected £7.8m.

Much of that growth is owed to the vision and work of its young chairman Mr David Telling. His vision of the group's future sees that growth being projected into three major areas.

In Britain the painting, building materials and building service side coupled with cleaning can be combined to offer a full maintenance con-

tract to leading blue chip companies.

A management subsidiary will then hire out all of HAT's services to offer a service which handles all building maintenance and cleaning.

Second, in the US, an infrastructure can be built up which can effectively match the British operations.

Third, he sees the Far East operations, where HAT already has the Shell/Brunel contract to paint literally hundreds of drilling rigs, expanding so that British expertise is employed by the big British corporations operating in the area.

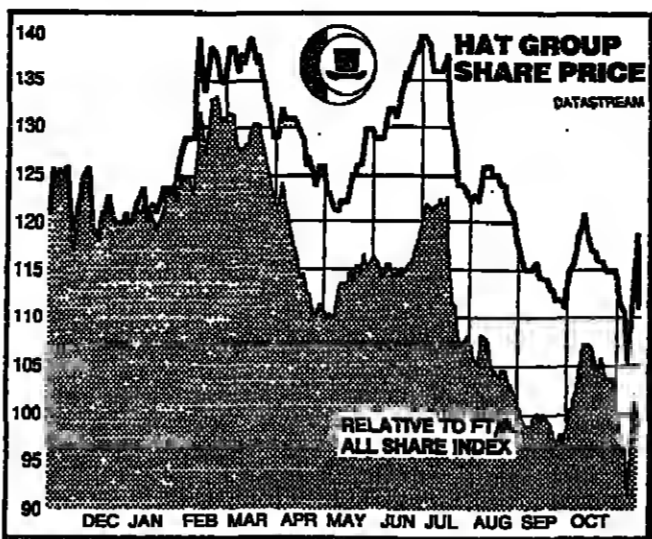
But Mr Telling would be the first to admit that even after last summer's £14.5m rights issue, HAT has nowhere near enough money to finance such an expansion.

Yet that expansion is well under way. HAT already works for BP, which is operating offshore from China. The US operations are growing quickly, and the all-encompassing service to companies in Britain looks feasible after winning a contract from IBM.

So can HAT group, where the Telling family holds 10 per cent, finance that expansion without a takeover?

INVESTORS' NOTEBOOK • edited by Michael Prest

City unimpressed as HAT raises profits 19%



American operations, in just 18 months, account for virtually a third of the currently reported pretax profits which are up by 30 per cent.

But it would be a serious misjudgment to expect the same growth for the second half. Even the company's newly appointed managing director, Mr Charles Wenham, cannot be drawn on the subject.

The British side of the business looks risky. Unemployment means cutbacks on workwear, Sketchley still has not won any big hospital contract - and trading margins are getting tighter.

Mr Wenham faces an uncertain future and much is being laid upon his shoulders.

GEI

GEI International Half-year to 30.9.83 Pretax profit £225,000 (£240,000) Stated earnings 1.2p (1.1p) Turnover £29.8m (£28.4m) Net interim dividend 1.76p (1.78p) Share price 67p (up 10p) Yield Dividend payable 20.1.84 11.3 per cent

Small companies may bounce back more quickly than bigger ones after the recession, and GEI, the engineering and packaging machinery group, has

Sketchley

SKETCHLEY Half-year to 30.9.83 Pretax profit £5.7m (4.4m) Stated earnings 16.1p (12.1p) Turnover £49m (35.6m) Net interim dividend 4.1p (3.8p) Share price 416, up 7p. Yield 4.1% Dividend payable 15.12.83

Sketchley, the industrial workwear, linen hire and dry-cleaning group has made a point of

keeping its head down in the recent washbasin battles. But it has been seriously affected by the outcome. The Office of Fair Trading, by refusing the cleaning groups permission to expand by acquisition, has virtually forced them into seeking expansion abroad.

And for both Pritchard and Sketchley that has meant moving into the USA. Sketchley, fortunately, has so far done well

Car sales lift Godfrey Davis profit

GODFREY DAVIS (HOLDINGS) Half-year to 30.9.83 Pretax profit £1.2m (£1.2m) Stated earnings 4.4p (3.3p) Turnover £50.7m (£45.5m) Net interim dividend 1.5p (1.5p) Share price 87p, up 1p Dividend payable 3.1.84

The big increase in car sales in the first six months helped Godfrey Davis (Holdings) Ford main dealerships contribute substantially higher profits to the group.

Car sales were up 27 per cent by volume, while the contract hire side of the motor business is now more stable.

New contract hire business is being financed directly by Godfrey Davis, instead of by Ford, which gives the company substantial tax advantages and has reduced the rate of the first half to 33.3 per cent. About 2,000 vehicles are still to be run off under the old scheme so more benefits are still to come.

The motor dealerships benefited greatly from the exceptionally high level of new cars sold with A-plates in August, but Mr Cecil Redfern, the chairman, says sales would have been up even without this boost.

The motor business contributes about 55 per cent of profits

COMPANY NEWS IN BRIEF

Perth (Renter) Wigmores now holds a total of 2.5 million Broken Hill Property Company shares after market purchases at an average cost of A\$12.38 (£8.62) each since the end of its tender offer which garnered 792,000 shares, the chairman, Mr Robert Holmes A Court said yesterday.

At yesterday's closing BHP price of A\$12.80, the stake is worth A\$32m.

Mr Holmes A Court said Wigmores would change its name to Bell Resources.

London: Prudential Investment Trust Half-year to 31.10.83 Net earnings £212,000 (£167,000) Stated earnings 3.54p (2.79p) Net asset value 216.9p (167.1p) Net interim dividend 2.25p (same)

Senlec Half-year to 30.9.83 Pretax profit £112,000 (loss £22,800) Stated earnings 2.7p (loss 1.144p) Turnover £1.3m (£1.4m) Net interim dividend 1p (nil)

Scottish National Trust Year to 30.9.83 Gross revenue £5.9m (5.3m) Stated earnings 4.31p (3.83p) Net asset value 224.8p (154.9p) Total dividend 3.9p (3.66p)

JW Spear and Sons Half-year to 30.6.83 Pretax loss £159,000 (£489,000) Stated loss 4.3p (11.8p) Net interim dividend nil

COMMODITIES

LONDON INTERNATIONAL FINANCIAL				London Grain Futures Market			
Month	Volume	Settlement	Month	Close	Change	Month	Close
Nov	11	277	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00	111.00	Jun	111.00
Jul	431	234	Jul	111.00	111.00	Jul	111.00
Aug	431	234	Aug	111.00	111.00	Aug	111.00
Sep	431	234	Sep	111.00	111.00	Sep	111.00
Oct	431	234	Oct	111.00	111.00	Oct	111.00
Nov	431	234	Nov	111.00	111.00	Nov	111.00
Dec	431	234	Dec	111.00	111.00	Dec	111.00
Jan	431	234	Jan	111.00	111.00	Jan	111.00
Feb	431	234	Feb	111.00	111.00	Feb	111.00
Mar	431	234	Mar	111.00	111.00	Mar	111.00
Apr	431	234	Apr	111.00	111.00	Apr	111.00
May	431	234	May	111.00	111.00	May	111.00
Jun	431	234	Jun	111.00			

MARKET REPORT by Derek Pain

Bid talk lifts Hill Samuel

ACCOUNT DAYS: Bog 3, Monday, Dealings end, Nov 25, Contango Day, Nov 28, Settlement Day, Dec 5

Will Hill Samuel, the diversified merchant banking group, be the next City institution to get embroiled in the flurry of take over activity which is mesmerising the financial community?

According to stock market speculation yesterday an overseas group is busy building up a shareholding in the company which more than a decade ago almost merged with a then powerful force called Slater Walker.

Hill Samuel shares advanced a further 10p to a highest ever of 296p as the gossips predicted a bid.

The company dismissed the stock market speculation. There was, it maintained, no evidence of any share stake being amassed and no approach had been received. And, for good measure, the bankers declared that it was not involved in any talks with stockbrokers or stockjobbers and was merely 'keeping a variety of options open'.

Mr Christopher Castleman, the chief executive who is responsible for much of the group's recent profits growth, was overcast and Sir Robert

Clark, chairman, was also unavailable. Last week Hill Samuel reported interim net profits of £10.8m against £9.6m for the recent progress this performance disappointed the market.

Will the Breengreen cleaning group be the next to get embroiled in the flurry of take over activity which is mesmerising the financial community? Mr. David Evans, chairman, says it will but the market thinks Breengreen's cash needs may tempt him to change his mind.

But, after the Vickers de Costa, Akroyd and Smithers and Charterhouse deals, Hill Samuel was not the only financial share under intense speculation. Merchant bankers Brown Shipley, Kleinwort Benson and Schroders were

firm as buyers played the spot market next to go. In a day of bid activity it was not just the financial sector which attracted attention. Sugar group Tate and Lyle, up 12p on Monday, advanced a further 12p to a 380p peak on suggestions that Hanson Trust had brown bread of stalking London Brick and had turned his thoughts to the Mr Cuber business.

Tate and Lyle said it never commented on market talk and Hanson did not appear to want to say anything. After a mixed, indecisive day which failed to produce any firm pattern, shares, as measured by the FT 30 Share Index, ended marginally lower. Gills, after their recent strength, succumbed to profit taking, suffering falls of up to 2 1/2%.

BOC Group, fell 3p to 234p in early trading on suggestions that 20m shares were on offer. Later the price regained an unchanged position.

Molins, makers of cigarette machinery, gained 7p to 109p after a stockbroker lunch. Logica, the software house, continued its progress, gaining a further 12p to 265p. Behind the

Intriguing times at London and Liverpool. The office equipment and video group. Stock market suggestions that the group is up for sale are denied by Mr Jeffrey Bonus, chief executive. 'We are not hawking ourselves around', he declared. FAT Group, the painters and plumbers, said to be interested but said it is not bidding. Yesterday L.L.T. shares fell 1p to 45p.

latest advance is the group's Hongkong Stock Exchange deal. Tea shares, such as Eastern Produce and Crosby House, reflected the bumper auction prices. And Atlantic Resources, the leading Irish oil stock, made

further progress. However, poor little Kenmare almost halved to 7p on the news that its off-shore interests were not up to evio the more subdued hopes.

Aspirinal Holdings, yesterday's spectacular newcomer, touched 171p, up 8p but two of Asit Nadir's stocks - Polly Peck and Cornell - lost ground on fears that their Middle Eastern mineral water operations could face some fierce competition.

Vague bid talk stirred Metal Clores into an 8p gain to 129p and another to encounter bid speculation the Scotia Group, although the imminence of interim figures also helped the shares reach 290p (up 8p).

With Reed International shares so strong following the announcement of its proposed Mirror Group Newspapers acquisition, there are growing hopes that S. Pearson could be tempted to demerge the Financial Times. Such thoughts spurred Pearson shares 10p higher to 395p.

British and Commonwealth, the shipping group, came in for an after hours run, gaining 40p to 908p. The related Caledonia Investments finished 45p strong at 808p.

WALL STREET PRICES & COMMENT THE TIMES BUSINESS NEWS

Table with columns: HIGH, LOW, COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists various US stocks like New Darden Oil, De Cag, etc.

SHIPPING

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists shipping companies like British Overseas Airways, etc.

MINES

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists mining companies like Anglo Am Coal, etc.

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists various US stocks like American Express, etc.

INSURANCE

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists insurance companies like Allstate, etc.

PROPERTY

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists property companies like Allied Ltd, etc.

PLANTATIONS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists plantation companies like Berkeley, etc.

MISCELLANEOUS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists various other companies like Eveson, etc.

UNLISTED SECURITIES

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists unlisted securities like Air Call, etc.

INVESTMENT TRUSTS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists investment trusts like Alliance, etc.

Dollar Spot Rates

Table with columns: COUNTRY, RATE, PERCENT. Lists dollar spot rates for various countries.

Euro \$ Deposits

Table with columns: TERM, RATE, PERCENT. Lists Euro \$ deposit rates for various terms.

Gold

Table with columns: TYPE, PRICE, PERCENT. Lists gold prices for various types.

COMMONWEALTH AND FOREIGN

Table with columns: HIGH, LOW, COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists commonwealth and foreign stocks.

LOCAL AUTHORITIES

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists local authority stocks.

DOLLAR STOCKS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists dollar stocks.

BANKS AND DISCOUNTS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists banks and discounts.

BREWERIES AND DISTILLERS

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists breweries and distillers.

COMMERCIAL AND INDUSTRIAL

Table with columns: COMPANY, PRICE CHG, PERCENT, DIV, YIELD, P/E. Lists commercial and industrial stocks.

STERLING SPOT AND FORWARD

Table with columns: MARKET, RATE, PERCENT. Lists sterling spot and forward rates.

MONEY MARKET

Table with columns: TYPE, RATE, PERCENT. Lists money market rates.

OTHER MARKETS

Table with columns: MARKET, RATE, PERCENT. Lists other market rates.

PRIME BANK BILL/DISCOUNT

Table with columns: TYPE, RATE, PERCENT. Lists prime bank bill/discount rates.

LOCAL AUTHORITY BONDS

Table with columns: TYPE, RATE, PERCENT. Lists local authority bond rates.

SECONDARY MARKET RATES

Table with columns: TYPE, RATE, PERCENT. Lists secondary market rates.

OVERNIGHT DEPOSIT

Table with columns: TYPE, RATE, PERCENT. Lists overnight deposit rates.

STERLING SPOT AND FORWARD

Table with columns: MARKET, RATE, PERCENT. Lists sterling spot and forward rates.

MONEY MARKET

Table with columns: TYPE, RATE, PERCENT. Lists money market rates.

OTHER MARKETS

Table with columns: MARKET, RATE, PERCENT. Lists other market rates.

PRIME BANK BILL/DISCOUNT

Table with columns: TYPE, RATE, PERCENT. Lists prime bank bill/discount rates.

LOCAL AUTHORITY BONDS

Table with columns: TYPE, RATE, PERCENT. Lists local authority bond rates.

SECONDARY MARKET RATES

Table with columns: TYPE, RATE, PERCENT. Lists secondary market rates.

OVERNIGHT DEPOSIT

Table with columns: TYPE, RATE, PERCENT. Lists overnight deposit rates.

STERLING SPOT AND FORWARD

Table with columns: MARKET, RATE, PERCENT. Lists sterling spot and forward rates.

MONEY MARKET

Table with columns: TYPE, RATE, PERCENT. Lists money market rates.

OTHER MARKETS

Table with columns: MARKET, RATE, PERCENT. Lists other market rates.

PRIME BANK BILL/DISCOUNT

Table with columns: TYPE, RATE, PERCENT. Lists prime bank bill/discount rates.

LOCAL AUTHORITY BONDS

Table with columns: TYPE, RATE, PERCENT. Lists local authority bond rates.

SECONDARY MARKET RATES

Table with columns: TYPE, RATE, PERCENT. Lists secondary market rates.

OVERNIGHT DEPOSIT

Table with columns: TYPE, RATE, PERCENT. Lists overnight deposit rates.

STERLING SPOT AND FORWARD

Table with columns: MARKET, RATE, PERCENT. Lists sterling spot and forward rates.

MONEY MARKET

Table with columns: TYPE, RATE, PERCENT. Lists money market rates.

OTHER MARKETS

Table with columns: MARKET, RATE, PERCENT. Lists other market rates.

PRIME BANK BILL/DISCOUNT

Table with columns: TYPE, RATE, PERCENT. Lists prime bank bill/discount rates.

LOCAL AUTHORITY BONDS

Table with columns: TYPE, RATE, PERCENT. Lists local authority bond rates.

SECONDARY MARKET RATES

Table with columns: TYPE, RATE, PERCENT. Lists secondary market rates.

OVERNIGHT DEPOSIT

Table with columns: TYPE, RATE, PERCENT. Lists overnight deposit rates.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

in £ dividend, in \$ in US dollar, in p in pence, in c in cents, in s in shillings, in m in million, in b in billion, in t in trillion, in q in quarter, in h in half, in d in day, in w in week, in m in month, in y in year.

...THE DAY OF RECKONING

Cold comfort for Robson's changed team if fates conspire against them

England's destiny in the European championship lies in the lap of the Greek gods. After the curtain of darkness has fallen on the Olympic Stadium in Athens...

The rest of the surface was little softer, and Robson is "slightly concerned" about the conditions. Two of Robson's four changes were enforced by the absence of the injured Shilton and Mabbutt...

Malvern break through in the second half

Malvern secured a convincing win over Bradford with two second-half goals. Bradford had taken the lead in the first half...

Home rule waived

Darford have waived their right to a replay at home if they draw their FA Cup first-round tie at Millwall on Saturday.

Robertson blow

John Robertson, Derby County's Scotland international winger, was admitted to hospital yesterday for a knee operation...

'Behave yourselves' call

Ned Macfarlane, Minister for Sport, has made a late appeal to England supporters attending the European championship match at Luxembourg today: "Behave yourselves"...

United move a challenge for Crooks

Gary Crooks, who has been loaned to Manchester United, said yesterday that he was delighted by a "fresh challenge".

Yesterday's results

Table of sports results including UEFA Under-21 championship, Malvern v Bradford, and other matches.

Germans sting the Irish pride

Whether it was an example of German arrogance or a bit of gamesmanship, it was neither polite nor wise of West Germany to announce yesterday their programme of preparations for next year's European championship...

England reward White's long wait

England have selected two new caps for their first international of the season against New Zealand at All Blacks Stadium in London...

Scotland keep record

Scotland maintained their unbeaten record in the UEFA Under-21 championship in Jena last night.

Unlikely lads of Hants

It took Manchester United seven minutes to win the FA Cup last season. Watford took 49 minutes to win the trophy...

Late goal for Wales

Bulgaria beat Wales 2-1 in a European Under-21 Championship Group Four match here yesterday.

Local boy races to the rescue

The soo of a former Bramley consortium is leading an attempt to save the West Yorkshire division club from extinction.

Call for new hooker

La Rochelle (Reuter) - Australia have asked for a replacement for their hooker, Mark McBain, who was severely concussed against France on Sunday.

Champion retires at 21

Mandy Jones, the former women's world road race champion and Britain's best hope of winning a cycling medal in the Los Angeles Olympic Games, has decided to stop racing at the age of 21.

Division suffer double blow as Martin and Pready are injured

The South and South West New Zealanders were unlucky to lose two players early in the second half of the match...

RUGBY UNION: ENGLAND MAKE FIVE CHANGES FOR TWICKENHAM



Running pack: Boyle, of South and South West, brought down by Robison

Division suffer double blow as Martin and Pready are injured

The New Zealanders were spurred by the reverse, however. Green hustled Morley after a long throw over a lineout and Mested set up the try where Teague was penalized. Crowley kicking the goal. The full-back was adrift with another attempt but scored again when the divisional side's front row were pulled up by David Burnett...

Lack of communication hinders Lord's plans

Sydney (Reuter) - David Lord, the Australian entrepreneur, blamed his London agent yesterday for a hitch in plans to stage a professional rugby union "circuit".

Ward steps in for Campbell

The Major Stanley XV to meet Oxford University in the traditional pre-University match this afternoon includes 14 internationals from five different countries.

Call for new hooker

La Rochelle (Reuter) - Australia have asked for a replacement for their hooker, Mark McBain, who was severely concussed against France on Sunday.

AMERICAN FOOTBALL

NATIONAL LEAGUE: Los Angeles Rams 38, Atlanta Falcons 15.

HOCKEY

AMERICAN HOCKEY: Minnesota North Stars 5, Philadelphia Flyers 2.

RUSSIAN LEAGUE

Soviet Hockey: Dynamo Moscow 4, CSKA Moscow 2.

RUGBY LEAGUE

France, who under-24 side lost to Great Britain at Villeneuve last week, have protested to the international board over the substitution of the Great Britain forward, Wayne Proctor, in the second half.

IN BRIEF

Summary of various sports news items including tennis, basketball, and other international sports.

PERSONAL COLUMNS

BIRTHS, MARRIAGES, DEATHS and funerals in the London area.

DEATHS: Notices regarding the passing of various individuals.

ANNOUNCEMENTS: Various personal notices and news items.

HOLIDAYS AND VILLAS: Listings for ski and holiday travel packages.

RENTALS: Listings for various rental properties.

SITUATIONS WANTED: Job openings and career opportunities.

WINE AND DINE: Restaurant listings and dining recommendations.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

BIRTHS: Birth notices for various children.

DEATHS: Additional death notices.

ANNOUNCEMENTS: Further personal notices.

HOLIDAYS AND VILLAS: More holiday and villa listings.

RENTALS: Additional rental listings.

SITUATIONS WANTED: More job openings.

WINE AND DINE: More dining listings.

Anti-Benn group ready for fight over Varley seat

By Anthony Bevins, Political Correspondent
An anti-Benn backlash was building up in the Chesterfield Labour Party yesterday...



Paying tribute: Mrs John Gilpin and Prince Rainier of Monaco at a Service of Thanksgiving for John Gilpin, the dancer, yesterday. (Photographs: John Manning)



Sir John Gielgud took part in the service at St Martin-in-the-Fields, Trafalgar Square, which was also attended by Princess Caroline of Monaco

Security services get lie detectors

By Peter Hennessy
The Government is to introduce lie detectors in the security and intelligence services...

Frank Johnson in the Commons Painful duty for Sick Man of Westminster

The unilateral declaration of independence by the Turkish community in Cyprus yesterday provoked communal tension in the House of Commons...

Dr Jones still being questioned

By Thomson Prentice
Police investigating the murder of Mrs Diane Jones confirmed yesterday that her husband, Dr Robert Jones, is being questioned in custody about her death.

English fans rampage in Belgium

Brussels (Reuters) - England football supporters travelling to a European championship match in Luxembourg went on the rampage through Belgium yesterday, leaving behind a trail of casualties.

Attack on Arafat's last refuge

Continued from page 1
Mr Arafat's men are certainly fighting back. When I stopped at a Syrian military checkpoint just south of Tripoli...

Today's events

- Royal engagements
The Princess of Wales visits the Mount Edgemoor Hospice, St Austell, Cornwall, 10.25
Princess Margaret attends a reception given by the Mayor of the Royal Borough of Kensington and Chelsea at the Town Hall, Kensington, 9.20

New books - hardback

The Literary Editor's selection of interesting books published this week: Ancient France, 600-2000 BC, edited by Christopher Scarre...

Weather forecast

An anticyclone S of Iceland will maintain a northerly airstream across the British Isles.
6am to midnight
London, SE, central S, NW, central N...

High tides

Table listing high tide times for various locations including London Bridge, Aberdeen, Belfast, Cardiff, etc.

The Times Crossword Puzzle No. 16,288

A crossword puzzle grid with numbers indicating starting positions for words.

The papers

The Daily Mirror has its own suggestions on the Ten Commandments after the Soviet newspaper Pravda said that President Reagan should remember them...

Lighting-up time

London 4.51 pm to 6.51 am
Edinburgh 4.26 pm to 6.26 am
Belfast 4.11 pm to 6.11 am

Around Britain

Table showing weather conditions and forecasts for various British locations like London, Manchester, Glasgow, etc.

ACROSS

- 1 Christ's Iron Cat could be showing a fault in time (11)
2 What's a catkin? (9)
3 An old vessel and what it one I have held (5)
4 Lacking lustre and point, son names (11)
5 The flower of Fred Karno's era (4)
6 Soothing influence of the silent (10)
7 Return the King of Spain's daughter came to visit me (10-11)
8 The first story books high spirits (7)
9 Imaginative lie - in this kind of language? (7)
10 Tears back to embrace a French friend (7)
11 This may lead to strikes (4)
12 Director after wallop is - halt (11)
13 Tie with a girl (15)
14 Kid, treated and controlled, say (11)
15 K'fid about trifle - overmatched (7)
16 I mean colour Thoreau's work located in Essex (7,8)

Exhibitions in progress

Soviet State Design, 1917-1982, City Art Centre, 2 Market Street, Edinburgh: Mon to Sat 10 to 5, closed Sun tends Dec 10.
Elysian Gardens - the history and conservation of formal gardens, Falkland House, Glasgow: Mon to Sat 10 to 5, closed Sun and Sun tends Dec 20.

Parliament today

Commons 12.30: Debate on Opposition motion on home improvement grants. Motion on milk regulations.
Lords 2.15: Debates on Cyprus unemployment; and on taxation of artists.

Dove of peace

The dove of peace is the motif on all five of this year's special Christmas stamp issues which go on sale in post offices today.

Highest and lowest

Yesterday: Highest day temp: Glasgow, 12C; lowest day temp: Newcastle, 4C (50F); highest night temp: Newcastle, 8.1F.

Our address

Information for inclusion in The Times Information Service should be sent to: Cathy James, TTIS, The Times, PO Box 7, 200 Gray's Inn Road, London WC1X 8EZ.

CONCISE CROSSWORD PAGE 8

COMPUTER COMPETITION

Anniversaries

Birnie John Bright, advocate of parliamentary reform, Rochdale, Lancashire, (1811); Paul Hindemith, composer, Hanau, Germany, 1895; Henry III, reigned 1216-72, died in London, 1272.

Abroad

Table showing weather conditions and forecasts for various international locations like Moscow, Tokyo, London, etc.

Various advertisements including 'Tomorrow', 'Kyprianou plea to Thatcher', 'Sewer Bridge restrictions', 'Geneva threat', '60,000 fine', 'Moans freed', 'Woolworth errs', 'Rail campaign', 'Henna claim', and 'Law Report'.